




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: (only available on Sedex System)	ZC: 410520187	Sedex Site Reference: (only available on Sedex System)	ZS: 410535902	
Business name (Company name):	Huizhou Huaxing Sports Goods Co., Ltd.			
Site name:	Huizhou Huaxing Sports Goods Co., Ltd. 惠州桦兴运动用品有限公司			
Site address: (Please include full address)	B, 4th Floor, Building 2, Changfang Industrial Park, No. 1 Xingyun East Road, Dongjiang High-tech Industrial Park, Zhongkai High-tech Zone, Huizhou City, Guangdong Province, China 中国广东省惠州市仲恺高新区东江高新产业园兴运东路 1 号长方工业园 2 栋 厂房四楼 B 区	Country:	China	
Site contact and job title:	Ms. Zhang Rongxia/Admin. Staff			
Site phone:	86-752-22661262	Site e-mail:	573201608@qq.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:	5 th June 2020			

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Huizhou Huaxing Sports Goods Co., Ltd.
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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)
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Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA 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): None

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

Lead auditor: Ms. Landy Yi, Social Auditor (RA 21700292)

Team auditor: None

Interviewers: Ms. Landy Yi, Social Auditor (RA 21700292)

Report writer: Ms. Landy Yi, Social Auditor (RA 21700292)

Report reviewer: Nicole Ye

Date of declaration: 5th June 2020

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 (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	OB: none observed GE: none observed
0B	Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	NC: 1). Employees did not wear proper PPE (Personal Protective Equipment).

									2) Occupational hazardous factor (dust) exceeded national limit. OB: none observed GE: none observed
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Insufficient social insurance participated. OB: none observed GE: none observed
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Overtime hours exceeded the legal requirement. OB: none observed GE: none observed
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NC: none observed

									OB: none observed GE: none observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NC: none observed OB: none observed GE: none observed
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not applicable (this was a SMETA 2-Pillar audit)
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not applicable (this was a SMETA 2-Pillar audit)
General observations and summary of the site:									

Site Summary

- The products manufactured at this site were sporting goods.
- Overall responsibility for meeting the standards was taken by Ms. Zhang Rongxia/Admin. Staff
- There were a total of 43 employees on site (31 were migrant employees and 12 local employees, all were permanent). Migrant employees were mainly from Guangxi, Hubei and Sichuan provinces of China.
- The youngest employee on site was 23 years old.
- Worker committee was present during the audit, and the worker representative participated in the opening and closing meeting. The worker representative would communicate the outcome of the audit to the employees through poster in the workshops, and would discuss at next worker committee meeting.
- There was no union at this facility.
- There was evidence of both male and female in management and among supervisor. The distribution was Male 50%, Female 50%.
- No sub-contract processes noted.
- 10 employees were randomly selected for interview including 5 males and 5 female employees; They were interviewed as one group of 4 mixed gender group and the balance of 6 employees were interviewed individually.
- Payrolls for the period from May 2019 to April 2020 and attendance records for the period from 1st May 2019 to 5th June 2020 (audit day) were provided for review. Randomly sampled 10 employees' payrolls and attendance records from April 2020 (current month), June 2019 (random month) and December 2019 (random month) for further checking on status of wages and working hours.
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week with at least 1 day off in a week.
- Based on the provided attendance records and payrolls, overtime working hours were paid correctly. Employees were paid 150% and 200% of their standard wage for overtime hours on normal working days and rest days respectively.
- Based on the provided attendance records, the status of overtime hours in sample was as below:

0-2 hours/day in April 2020 (current month)
 0-2 hours/day in June 2019 (random month)
 0-2 hours/day in December 2019 (random month)

8-18 hours/week in April 2020 (current month)
 8-18 hours/week in June 2019 (random month)
 8-18 hours/week in December 2019 (random month)

38-76 hours/month in April 2020 (current month)
 76-78 hours/month in June 2019 (random month)
 74-76 hours/month in December 2019 (random month)

Issues Found

NC's

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- Employees did not wear proper PPE (Personal Protective Equipment). During facility tour, auditor found that about 18 out of 18 employees working in cutting and sewing positions did not wear anti-dust mask, but just disposable masks instead.
- Occupational hazardous factor (dust) exceeded national limit. During document review, it was noted that occupational hazardous factor (dust) in sewing area was 1.37-1.55 mg/m³, which was over the limit of 1 mg/m³.

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- Insufficient social insurance participated. Through document review (social insurance receipts of May 2020, auditors found that only 24 out of 43 employees had participated in basic endowment insurance, unemployment insurance, basic medical insurance and maternity insurance, employment injury insurance.

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- Overtime hours exceeded the legal requirement. Through document review, auditors found that the monthly overtime hours of 10 out of 10 sampled employees ranged from 38-76 hours in April 2020 (most current month); monthly overtime hours of 10 out of 10 employees was 76-78 hours in June 2019 (random month); monthly overtime hours of 10 out of 10 employees was 74-76 hours in December 2019 (random month).

OB's

None observed.

GE

None observed

Additional Auditor Remark:

None

**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:	Huizhou Huaxing Sports Goods Co., Ltd.							
B: Site name:	Huizhou Huaxing Sports Goods Co., Ltd. 惠州桦兴运动用品有限公司							
C: GPS location: (If available)	B, 4th Floor, Building 2, Changfang Industrial Park, No. 1 Xingyun East Road, Dongjiang High-tech Industrial Park, Zhongkai High-tech Zone, Huizhou City, Guangdong Province, China 中国广东省惠州市仲恺高新区东江高新产业园兴运东路 1 号长方工业园 2 栋厂房四楼 B 区	Latitude: Not available Longitude: Not available						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The business license No.: 91441300MA51R0178N Valid Date: From 28 th May 2018 to long term							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Products: Sporting goods Main production processes were listed as follows: Cutting, Sewing, Assembly and Packing							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Huizhou Huaxing Sports Goods Co., Ltd. was located at , 4th Floor, Building 2, Changfang Industrial Park, No. 1 Xingyun East Road, Dongjiang High-tech Industrial Park, Zhongkai High-tech Zone, Huizhou City, Guangdong Province, China. The total land area occupied by the facility was about 3,500 square meters. They had been in operation at the existing location since 2018.</p> <p>In view of the facilities, the facility consisted of half of 4/F of one 5-storey production building. No dormitory was provided for employees. No canteen or kitchen provided for employees. Other floors of the building were used by other facilities. Based on management interview, employee interview and onsite observation, no employee comingling was identified among these facilities. This audit only covered Huizhou Huaxing Sports Goods Co., Ltd. For details, see below.</p> <table border="1"> <thead> <tr> <th>Production Building</th><th>Description</th><th>Remark, if any</th></tr> </thead> <tbody> <tr> <td>Floor 1</td><td>Huizhou Gu Gu New Energy</td><td>Products: lithium battery</td></tr> </tbody> </table>		Production Building	Description	Remark, if any	Floor 1	Huizhou Gu Gu New Energy	Products: lithium battery
Production Building	Description	Remark, if any						
Floor 1	Huizhou Gu Gu New Energy	Products: lithium battery						

		Research Institution	
	Floor 2	Chang Fang Group	Products: warehouse only
	Floor 3	Huizhou Suo Da De Gao Photoelectricity Co., Ltd.	Products: Lights
	The other half of Floor 4 % Floor 5	Idle	Nil
	Is this a shared building?	Yes	Based on management interview, employee interview and onsite observation, no employee comingling was identified among the facilities. This audit only covered Huizhou Huaxing Sports Goods Co., Ltd.
<p>There were a total of 43 employees on site (31 were migrant employees and 12 local employees, all were permanent). Migrant employees were mainly from Guangxi, Hubei and Sichuan provinces of China. The employees worked for 5 days a week in one shift. The normal working hour was from 08:00 to 17:30 with 1.5 hours' lunch break from 12:00 to 13:30. Fingerprint system was used for time keeping. Production employees' wages were calculated on hour-basis and office employees' wages were calculated on monthly-basic. All employees' wages were paid monthly by cash on or before 15th of each month.</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 crack was observed.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: the audited facility had the report of construction completion acceptance for its building.</p>			
G: Site function:	<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
H: Month(s) of peak season: (if applicable)	No obvious peak season according to facility management.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Products: Sporting goods Main production processes were listed as follows: Cutting, Sewing, Assembly and Packing The main machine list of the facility was as following: cutting machines: 3; sewing machines: 45; etc.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <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 N/A The facility did not provide dormitory.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:30 Day 1 Time out: 17:00	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	One onsite manday		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not The facility had not been asked to complete the SAQ.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A. The facility did not provide the SAQ for review.		
G: Who signed and agreed CAPR (Name and job title)	Ms. Zhang Rongxia/Admin. Staff		
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 This was an initial audit.		
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, worker representative was present.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no union in the facility.		

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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	5	0	0	9	0	0	0	14
Worker numbers – female	7	0	0	22	0	0	0	29
Total	12	0	0	31	0	0	0	43
Number of Workers interviewed – male	2	0	0	3	0	0	0	5
Number of Workers interviewed – female	0	0	0	5	0	0	0	5
Total – interviewed sample size	2	0	0	8	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:</p> <p>B1: Nationality 1: <u>Chinese</u></p> <p>B2: Nationality 2: <u>N/A</u></p> <p>B3: Nationality 3: <u>N/A</u></p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p> <p>Remark:</p> <p>Not applicable. The peak season was not obvious in the past year in the facility.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u></p> <p>C1: approx % total workforce: Nationality 2 <u>N/A</u></p> <p>C2: approx % total workforce: Nationality 3 <u>N/A</u></p>	
D: Worker remuneration (management information)	<p>D: <u>0</u>% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: <u>0</u>% salaried workers</p> <p>Payment cycle:</p> <p>D3: <u>0</u>% daily paid</p> <p>D4: <u>0</u>% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: <u>0</u>% other</p> <p>D7: If other, please give details: N/A</p>	



Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (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)	Group interviews: 1 group of 4 (3 females and 1 male)	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 4	D2: Female: 2
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?	There was no complaint from the interviewed workers.	
I: What did the workers like the most about working at this site?	Working environment was comfortable and wages were good.	
J: Any additional comment(s) regarding interviews:	The interviewed workers said they enjoyed working in this facility.	
K: Attitude of workers to hours worked:	The workers said their working hours were acceptable.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

L1: If yes, please give details:

Not applicable (only normal worker interview was conducted)

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

The information regarding worker interviews as below:

- The total number of the interviewed workers: 10 (5 males and 5 females)
- Individual interviews: 6 workers (4 males and 2 females)
- Group interviews: 1 group of 4 (3 females and 1 male)

During this audit, the interviewed workers were selected by the audit team through document review and onsite tour. The workers were assured of confidentiality and they spoke freely of their views of the facility. All interviewees said they were satisfied with their employment and the provided wages which in their views were in line with legal wages in the locality; they felt free to leave their employer and understood the notice period required; they had good relationships with their supervisors and managers who treated them with respect; the workers could raise their suggestions, concerns or appeals through EHS committee representatives, telephone, suggestion box, and their team leaders or above, who would take it to the management; and sometimes, they had seen the facility had took some corrective actions accordingly.

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

In the audited factory, the information regarding trade union and worker representative as below:

- Trade union: There was no trade union in the facility.
- The interviewed worker representative was favourable with the management and the working conditions, and stated that they could give suggestions on all parts of the site's practices, and the facility management would investigate their suggestions or concerns and respond to them in a timely manner; and the facility did not interfere in their activities, and did not discriminate them.

O: Attitude of managers:

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

During this audit, the factory management was open and cooperative throughout the process of the audit. The factory designated several management staff to be responsible for this audit, e.g. the factory assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to several different management staff, and these assigned persons completed their assigned tasks well during the whole audit. The documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. Photos taking of the facilities and copies' keeping of the samples of the reviewed documents were also permitted by the factory management. In the closing meeting, the management agreed with the found non-compliance and stated that they would take relevant corrective and preventive actions for the found non-compliance as soon as possible. The management did not raise any negative feedback for the audit.

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:

1. This facility had established a policy which cover the human rights impacts and issues and this policy had been communicated to all appropriate parties.
2. Ms. Zhang Rongxia/Admin. Staff was designated to be responsible for implementing standards concerning Human rights.
3. The factory had communicated Human Rights Policy to all appropriate parties including its own suppliers through regular trainings or providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps.
4. The factory had one designated person responsible for implementing standards concerning Human Rights and the designation paper was available for review. The designation paper for the responsible person was provided for review.

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

Details:

1. Policy on human rights
2. Internal audit documents
3. Training records
4. Management interview and employee interview.

Any other comments:
None

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had the Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name and Job title: Ms. Olivia Pan/General Manager
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility had established grievance reporting system such as suggestion box, worker representative available and direct talk to management.
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details Remark: The factory had established a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review.
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility had established privacy data protection procedure for employees'

	information. All personal files were kept and controlled by personnel department.
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Findings		
Finding: Observation <input type="checkbox"/>	Company NC <input type="checkbox"/>	Objective evidence observed: Not applicable
Description of observation: None observed		
Local law or ETI/Additional elements / customer specific requirement: Not applicable		
Comments: Not applicable		

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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: __5__ %	A2: This year __5__ %
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]	3%	
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: __0__ %	C2: This year __0__ %
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	0	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: According to accident management procedure, all accidents will be investigated and recorded. As per document review, blank accident report was provided for review due to no accident was happened.	
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: 2019 Number: 0	F2: This year: 2020 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 more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___0___% workers	J2: 12 months ___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:

1. The facility implements and maintains systems for delivering compliance to this Code.
2. The facility communicates this Code to all employees by training as confirmed by training records and employee interviews.
3. Ms. Zhang Rongxia/Admin. Staff is responsible for compliance with the Code.
4. Information of business license is updated.
5. The facility communicated this code to its suppliers.

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

Details:

1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and employee interview
4. Business license review.

Any other comments:

None

Management Systems:

<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: The facility had not received any fines/prosecutions for non-compliance to any regulations before.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had established the policies and procedures for forced labour, child labour and discrimination, harassment and abuse.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>The facility had provided relevant trainings for employees through document review and employees' interviews.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility provided regular trainings in the standards for forced labour, child labour, discrimination, harassment and abuse for both management and workers.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Regular training records were provided for review. The employees were aware of the facility's relevant policies and procedures per employees' interviews.</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: Ms. Zhang Rongxia/Admin. Staff was responsible for Human Resources department.</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: Ms. Zhang Rongxia/Admin. Staff was assigned to responsible for implementation of the Code.</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:</p>

	All employees' personal information would be kept and only accessed by authorized staff, such as HR.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' personal information would be kept and only accessed by authorized staff, such as HR.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment would be conducted regularly to evaluate policy and procedure effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: Any risk identified during assessment would be corrected 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 facility had its supplier filter program to ensure all suppliers in compliance with legal requirements regarding labour standards.
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 site has all required land rights, licences and permission such as house property certificate.
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: The site has a system in place to conduct legal due diligence relating to land title.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The facility will public the land acquisition plan and obtain the free, prior and informed consent through internet.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details:

	The site has all required land rights, licences and permission such as house property certificate.
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 type="checkbox"/> No R1: Please give details: N/A, not applicable for this facility.
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 illegal appropriation of land for facility building or expansion of footprint.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:

<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>
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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:

1. The employees were employed on a voluntary basis and free to leave the facility or resigning.
2. The facility did not withhold any employees' ID cards.
3. The facility did not limit the employees' freedom or lock any exit of the facility during working time.
4. The facility did not require any payment for work tools, PPE, training, etc.
5. There was no any hint that the facility used prison labour.
6. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; the facility prohibits forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice, etc.

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

Details:

1. The facility's hiring procedure was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice.
2. Employment contracts were reviewed, and they contain the notice periods.
3. Management interview and employee interview
4. Facility tour showed no sign of employees being under pressure.

Any other comments:

None

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:
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The facility management claimed that they understood the risks of forced labour in its supply chain and were taking steps taking to reduce the risk of forced labour.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility had conducted period check and risk assessment to reduce the risk of forced labour.

Non-compliance:	
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: None observed Local law and/or ETI requirement Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:

Description of observation: None observed Local law or ETI requirement: None applicable Comments: None applicable	Objective evidence observed: None applicable
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Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: None applicable

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:

1. There was a workers representative committee in the facility. Employee representatives were elected out by employees. Employees can raise their concerns through suggestion box, employee representatives and report to their supervisor or above voluntarily.
2. There was no a union in the facility.
3. The facility management would adopt an open attitude towards the activities of worker committee and their organizational activities. And facility did not interfere with employees' right to join legal associations and take part in their activities.

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

Details:

1. Policy of freedom of association and right to collective bargaining
2. Policy about suggestions and appeals
3. Worker representatives' selection records and meeting records
4. Response records for workers' suggestions and appeals
5. Interviews with worker representative, management and workers

Any other comments:

None

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> 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? <i>(Other than union/worker committee e.g. H&S, sexual harassment)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Through EHS committee representatives, telephone, suggestion box, and their team leaders or above, etc. 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 E1: Please give details: The audited factory provided the meeting room for the regular meetings of the worker representatives.	
F: Name of union and union representative, if applicable:	N/A (There was no trade union in the facility).	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Yes. The audited factory had a worker committee with 2 worker representatives.	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	Per worker interviews, their representatives were selected by them, so they knew their representatives clearly.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 2 nd March 2020
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The interviewed workers confirmed that they could raise all kinds of topics such as topics about their working environment, working time, wages and benefit, environmental issues, employment practices, etc. to their representatives.	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One worker representative was interviewed in the audit.	
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>	Yes. The audited factory had a worker committee with 2 worker representatives. The worker representatives conducted meetings quarterly. The latest meeting was on 7 th May 2020. Issue discussed in this latest meeting: With the air temperature rising in summer, it was suggested that the facility fix the air conditioning equipment's and try to cool down the workshop.	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no collective bargaining agreement)	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA Not applicable (there was no collective bargaining agreement)	M2: ____% workers covered by worker rep CBA Not applicable (there was no collective bargaining agreement)
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no collective bargaining agreement)	

Non-compliance:	
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: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

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:

General Health and Safety management

- Written Health and Safety Policy and Health and Safety Manual were available.
- Mr. Xu Tongfa was appointed as Responsible Staff in charge of Health & Safety for the site.
- Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S supervisor, and each point was acted on.
- Potable water was freely available in all areas and test certificates were up-to-date.
- Sufficient clean toilets segregated by gender were available at all times to employees.
- Ventilation, temperature and lighting were adequate for the workplaces.
- 2 cargo lifts used in the facility and qualified registration certificate, annual testing report and operator license for the cargo lift were provided for review.

2. Fire Safety

- For production building and dormitory building, there were at least 2 exits and these were clearly marked.
- Fire-fighting equipment's monthly inspection records were available.
- Fire-fighting equipment's were maintained well.
- The open directions of the exit doors were adequate.
- Evacuation routes were unblocked.
- "No smoking signs" were available throughout the factory.
- Evacuation diagrams were posted in all areas and understood by all employees interviewed.
- Fire drills were organised and recorded every 6 months. Last fire drill was on 22nd May 2020.

3. Electrical safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There was 1 competent electrician at the site and the qualification certificate was valid.

4. Chemical safety

- No chemical was used by the facility.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 2 first aiders trained in the facility.

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

Details:

- Health and safety policy
- Health and safety manual
- Appointment document for the Health and Safety Supervisor
- Health and safety committee minutes
- Potable water testing report
- Temperature recording sheets;
- Fire certificate or registered record
- Accident reports
- PPE issuing and receiving records
- Fire equipment's' monthly maintenance and inspection records
- Fire drill records
- Electrical equipment's' maintenance and inspection records
- The certificate of the electrician
- Trained first aiders' certificates
- Onsite observation
- Interviews with H&S supervisor
- Interviews with employees and H&S committee members

Any other comments:

None

<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</p> <p>A1: Please give details: The factory had established and implemented the valid Health and Safety policies and procedures covering the occupational health and safety section, and provided the pre-work and regular trainings about the Health and Safety policies and procedures to all workers, which was confirmed by the provided training records and worker interviews.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The factory had established and implemented the valid Health and Safety policies and procedures covering the occupational health and safety section, which was included in the workers' 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</p> <p>C1: Please give details: There was no structural addition (e.g. floor added) for the facility building.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	D1: Please give details: All visitors to the factory were informed on the factory's health and safety policy and procedure, and provided with adequate personal protective equipment.
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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: no medical room or medical facility was provided for the workers and there was no such legal requirement for the factory.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: 1. There was no doctor or nurse in the factory; and doctor and nurse were also not required legally for the factory. 2. There were 2 adequately trained first aiders in the factory. The first aiders were trained in the local hospital. 3. There were first aid kits with adequate first aid supplies in the facility and they were well stocked. 4. The workers were easy to access to first aid kits and first aiders.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: the factory did not provide transportation to the workers. The workers did not need transportation service per worker interviews and management interviews.
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 was no dormitory in 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: health and safety risk assessment including evaluating the arrangements for workers doing overtime were conducted regularly. Controlling actions were taken to reduce identified risks, such as adequate lunch break and supper break were provided for all workers; internal trainings were conducted for machine operators, posters on good Health and Safety practices were posted in workplaces; warning signs were posted at the places such as electrical panels, machine using places and PPE usage workstations, etc.
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 audited factory met its legal obligations on environmental requirements and provided the Environment Impact Assessment Report, and Environment Impact Assessment Approval for review. No noncompliance about environment was found in the audit.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The audited factory met its customer requirements on environmental standards including not using of banned

	chemicals. The factory had a team who studied and collected the latest environmental and chemical requirements (e.g. banned chemical list) from the authorities both the end clients located countries and the facility located country (i.e. China) and from the end clients regularly through communicating with end clients or internet, then provided the trainings to both management staff and non-management workers and implemented the updated & strictest environmental and chemical standards in the facility. The facility had the internal audit team and the internal audit team conducted regular internal inspections and audits against the updated & strictest environmental and chemical requirements and standards, if any violation about environment or chemical was found, the internal audit team would analyse the root cause, take corrective and preventive actions accordingly.
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Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

Employees did not wear proper PPE (Personal Protective Equipment). During facility tour, auditor found that about 18 out of 18 employees working in cutting and sewing positions did not wear anti-dust mask, but just disposable masks instead.

Local law and/or ETI requirement

Local law: In accordance with Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.

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.

Recommended corrective action:

It is recommended that the facility should supervise and train the employees on properly wearing PPE.

Objective evidence observed:

(where relevant please add photo numbers)

Onsite observation, employee interview and management interview
Refer to NC Photo 1

2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

Occupational hazardous factor (dust) exceeded national limit. During document review, it was noted that occupational hazardous factor (dust) in sewing area was 1.37-1.55 mg/m³, which was over the limit of 1 mg/m³.

Objective evidence observed:

(where relevant please add photo numbers)

Document review and management interview

Local law and/or ETI requirement

Local law: In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 26, the employer shall assign dedicated person(s) to carry out day-to-day monitoring of the occupational hazard factors and make sure that the monitoring system is kept in normal working conditions.

The employer shall, in accordance with the regulations of the public health administration department under the State Council, have the occupational hazard factor(s) tested and evaluated regularly at workplace. The results of testing and evaluation shall be kept in files of occupational health, reported regularly to the public health administration department and announced to the workers.

The occupational hazard factor(s) shall be tested and evaluated by the occupational health technical service institutions set up in accordance with the law and authenticated as qualified by the public health administration department under the State Council or the public health administration department under the local government of or above the level of district-constituted municipalities base on their duty. The testing and evaluation made by such institution shall be objective and truthful.

In case that the occupational hazard factor(s) at workplace do not conform to the national standard and requirements on occupational health, the employer shall immediately adopt appropriate measures to keep them under control. If they still cannot meet the standard or requirements, the operation where such factors exist, shall be stopped. The operation can be resumed only after the factors are kept under control and meet the standards and requirements after the rectification.

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.

Recommended corrective action:

It is suggested that the facility should take action to reduce the dust level to ensure it is within limit.

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- There was a written recruitment procedure which states that employees must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards will be given back to the employees; and the facility will never employ and use any child labour under the age of 16 years old.
- There was a juvenile worker and pregnant worker protection procedure through there was no juvenile worker and pregnant worker in the facility.
- The written employee roster was available.
- The employees' personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the employee's name, household address and the date of birth. The employees' personnel files showed that the youngest employee was 23 years old.
- Management interview and employee interviews showed that the facility verified all employees' original ID cards at the time of recruitment and kept the photocopies of employee' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.

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

Details:

- Recruitment procedure
- Juvenile worker and pregnant worker protection procedure
- Employee roster
- Personnel files
- Management interview and worker interview

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The audited facility's youngest worker was 23 years old.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	Not applicable (there was no worker under 18 years old)
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details Not applicable (there was no worker under 18 years old)

Non-compliance:	
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: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- Wage & benefit policy and controlling procedure were established and implemented.
- Wage & benefit policy and controlling procedure were communicated to the workers through regular trainings.
- Wages and attendance records were kept and provided for review.
- All workers' wages were calculated by hourly rates.
- All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- Benefits such as annual leave, sick leave, marriage leave, funeral leave, stoppage leave, paternity leave and child-bearing leave etc. were provided to relevant workers adequately.
- Only partial employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance.
- The workers' wages including normal wages and overtime wages etc. of one month was paid on or before 15th of the following month.
- All workers were paid in cash and each worker was given a pay slip and signed for their wages.
- No monetary fine was used as disciplinary measure.
- No inconsistency regarding the workers' wages and working time was found between the payrolls, the attendance records, the production related records and worker interviews, etc. So the workers' wages and working time were adequate and could be verified.

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

Details:

- Wage & benefit policy and controlling procedure
- Training records about wage and benefit policy and controlling procedure
- Local legal minimum wage documents
- Local and national laws
- Labour contracts for all workers (to examine agreed wage rates)
- Social insurance payment receipts from the local authority
- Leave records
- Resignation records

- Disciplinary records
- Production records such as daily production quantity records, inspection records and material receiving and issuing records were reviewed and consistent with the attendance records and payrolls provided.
- Worker interview and management interview.
- The payroll records from May 2019 to April 2020 (current month) and attendance records from 1st May 2019 to 5th June 2020 (the audit day) were provided by the factory and reviewed by the audit team.
- The sample size of payrolls records and attendance records for further checking on status of wages and working hours as below:
10 samples from April 2020 (current month);
10 samples from June 2019 (random month);
10 samples from December 2019 (random month).

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

Insufficient social insurance participated. Through document review (social insurance receipts of May 2020, auditors found that only 24 out of 43 employees had participated in basic endowment insurance, unemployment insurance, basic medical insurance and maternity insurance, employment injury insurance.

Local law or ETI requirement:

Local law: In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

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.

Recommended corrective action:

It is recommended that the facility should communicate with employees to expand the social insurance coverage.

Objective evidence observed:

Document review, management interview and employees interview

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Remark: there was no Collective Bargaining Agreement.
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day and 36 hours per month	B1: Based on the provided attendance records, the status of overtime hours in sample was as below: 0-2 hours/day in April 2020 (current month) 0-2 hours/day in June 2019 (random month) 0-2 hours/day in December 2019 (random month) 8-18 hours/week in April 2020 (current month)	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Remark: there was no Collective Bargaining Agreement.

		8-18 hours/week in June 2019 (random month) 8-18 hours/week in December 2019 (random month) 38-76 hours/month in April 2020 (current month) 76-78 hours/month in June 2019 (random month) 74-76 hours/month in December 2019 (random month)	
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: The local minimum wage standard was set at RMB 1550 per month equivalent to RMB 8.91 (1550/21.75/8) per hour since July 1, 2018.	C1: RMB 8.91 (1550/21.75/8) per hour for all sampled months	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Remark: there was no Collective Bargaining Agreement.
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: 1) No less than 150% of the normal wages for overtime working on normal weekdays; 2) no less than 200% of the normal wages for overtime working on rest day if no deferred rest can be taken; 3) no less than 300% of the normal wages for overtime working on statutory holidays	D1: 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Remark: there was no Collective Bargaining Agreement.

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	Not applicable (the accurate records were shown in the audit)
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and</i>	10 samples from April 2020 (current month); 10 samples from June 2019 (random month); 10 samples from December 2019 (random month).

random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)			
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: Not applicable (there were no different legal minimum wage grades)	
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: Not applicable (there were no different legal minimum wage grades)	
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 checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 8.91 (1550/21.75/8) per hour for all sampled months	
F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: __100__% of workforce earning minimum wage F3: ____% 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> None		
H: What deductions are required by law e.g. social insurance? Please state all types:	1. Social insurance: retirement insurance, medical insurance, and unemployment insurance should be paid by both the workers and the employer 2. Personal income tax would be deducted from the wages if the wages exceeded RMB 5000 per month.		
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. Social insurance fee Please describe: social insurance fee was deducted through payroll records.
		I2: Please list all deductions that have not been made.	1. None 2. None Please describe: None
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: The attendance records reflected all time worked including the normal working hours and the overtime hours. The meetings were arranged during the time of work shift, the time for meetings was regarded as working time and paid legally.	
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: not applicable (there was not a defined living wage)	
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: Not applicable (there was not a defined living wage)	
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 factory conducted internal social compliance audit regularly, which covered the review of the workers' wages, the local legal minimum wage standards and basic needs of workers plus discretionary income, etc.	
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The workers' wages including normal wages and overtime wages etc. of one month were paid on or before 7 th of the following month.	
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: Through factory rules review, payroll records review and worker interviews, it was confirmed that equal rates were being paid for equal work.	
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input 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:

1. Through employee's interview and document review, it was noted that overtime was voluntary. Fingerprint attendance system was used for time keeping for employees.
2. The monthly overtime hours were exceeded the legal requirement, which was due to lack of employees.
3. Production records such as daily production records, material in and out records, inspection records, etc. from 1st May 2019 to audit date were available for review.

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

Details:

1. Working hours' policy was provided for review. The policy was to ensure employees' working hours and rest day conditions comply with national laws.

2. Payroll records that from May 2019 to April 2020 were provided for review and attendance records from 1st May 2019 to 5th June 2020 (audit day) were provided for review.
3. Employee interview and management interview.

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

Overtime hours exceeded the legal requirement. Through document review, auditors found that the monthly overtime hours of 10 out of 10 sampled employees ranged from 38-76 hours in April 2020 (most current month); monthly overtime hours of 10 out of 10 employees was 76-78 hours in June 2019 (random month); monthly overtime hours of 10 out of 10 employees was 74-76 hours in December 2019 (random month).

Local law and/or ETI requirement:

Local law: In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

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.

Recommended corrective action:

It is recommended that the facility should ensure monthly overtime hours were within 36 hours.

Objective evidence observed:

(where relevant please add photo numbers)

Attendance records review and employee's interview.

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):
None observed

Objective Evidence Observed:
Not applicable

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.	Fingerprint attendance system						
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details						
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: Not applicable (standard/contracted working hours were defined in all labour contracts)					
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: <table border="1" style="width: 100%;"> <tr> <td><input type="checkbox"/> 0 hrs</td> <td><input type="checkbox"/> Part time</td> <td><input type="checkbox"/> Variable hrs</td> <td><input type="checkbox"/> Other</td> </tr> </table> If "Other", Please define: Not applicable (there was no any other type of contracts or employment agreement used)		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other				
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: Not applicable (the standard/contracted normal working hours were 8 hours per day and 40 hours per week)					
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):
		Maximum number of days worked without a day off in the attendance samples: 6 days in April 2020 (current month); 6 days in June 2019 (random month); 6 days in December 2019 (random month).
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: Not applicable (the normal working hours were 8 hours per day and 40 hours per week)
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: Not applicable (there was no any working time waiver)
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest overtime hours: 2 hours/day in April 2020 (current month) 2 hours/day in June 2019 (random month) 2 hours/day in December 2019 (random month) 18 hours/week in April 2020 (current month) 18 hours/week in June 2019 (random month) 18 hours/week in December 2019 (random month) 76 hours/month in April 2020 (current month) 78 hours/month in June 2019 (random month) 76 hours/month in December 2019 (random 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:	___90___%	
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: The voluntary overtime policy was provided for review. Regular trainings on voluntary overtime policy were provided for all workers. Through worker interview and documentation review, it was confirmed that overtime was

		voluntary. The workers could refuse the overtime arrangement without any punishment or negative impact.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input 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:</p> <p>150% of the normal wages were provided for the overtime hours on weekdays in the sampled months for 100% workers.</p> <p>Remark: Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency:</p> <p>1. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.</p> <p>2. The workers' wages including normal wages and overtime wages etc. of one month were paid on or before 15th of the following month.</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.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other Not applicable	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	Not applicable. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please	<input 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) N/A	

complete the boxes where relevant.	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
	Not applicable (the workers' working time was no more than 60 hours per week)
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: the factory management said overtime hours were caused by labour shortages and tight delivery date of the purchase orders, etc.
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The management stated that the factory planned to take the actions such as hiring more workers, enhancing production efficiency, implementing new working time arrangement including controlling the number of the overtime hours, consulting the delivery date of the purchase orders with end clients, etc. to control and reduce the workers' overtime hours, and ensure the overtime is the exception rather than the normal practice.

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:

- The factory had anti-discrimination policy and procedure;
- There were the regular trainings on anti-discrimination for the workers;
- All interviewed workers spoke highly of the employer;
- The factory did not require workers to do the examination of the hepatitis B virus and HIV;
- The factory did not require female workers to do the examination of pregnant test;
- There was no gender discrimination in the factory; both female and male workers were distributed in all types of work;
- There was no evidence of sexual harassment;
- There was 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 or workers' organisation membership or political affiliation in the factory;
- There was an internal grievance process, all sampled workers were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

- The anti-discrimination policy and procedure;
- The regular training records on anti-discrimination;
- The hiring and termination procedure, leave application records and employing handbook.
- Payrolls
- Attendance records
- Termination records
- Management interview and worker interview

Any other comments:

None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __50__ % A2: Female __50__ %
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

<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<div style="display: flex; flex-direction: column; gap: 5px;"> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </div> <p>C1: Please give details: no any discrimination about hiring, compensation, access to training, promotion, termination or retirement was found.</p>
---	---

Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>The on-going work skill trainings were available for all workers to progress and develop. The criteria for promotion, training and compensation were equal, fair and transparent for all workers.</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<div style="display: flex; flex-direction: column; gap: 5px;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <p>If no, please give details: Not applicable (HR decisions e.g. promotion, training and compensation were equal, fair and transparent for all workers)</p>
---	---

Non-compliance:	
<p>1. Description of non-compliance:</p> <div style="display: flex; gap: 10px;"> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: </div> <p>None observed</p> <p>Local law and/or ETI requirement:</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>(where relevant please add photo numbers)</p> <p>Not applicable</p>

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

1. The facility had signed labour contracts with all employees within one month when they were recruited, and the probationary period was in compliance with the requirements of local law. Furthermore, no young employee was found in the facility.

2. All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditor.

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

Details:

1. Personnel files were checked, and they all include a copy of employee's contract.

2. The facility rule indicated that every extent possible work performed must be based on recognised employment relationship established through national law and practice.

3. Management interview and employee interview

Any other comments:

None

Non-compliance:

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: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable
--	---

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Responsible Recruitment

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

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 – N/A 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:	All types of work in the facility include migrant workers.	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: N/A. All employees were hired by the facility directly. B2: Total number of (outside of local country) recruitment agencies used: N/A. All employees were hired by the facility directly.	
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</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: All types of work (including management) in the facility included migrant workers.	

workers, temporary and/or seasonal workers)	
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A (there was no non-employee worker in the facility)
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 N/A (there was no non-employee worker in the facility) B1 – If other, please give details:
C: If any checked, give details:	N/A (there was no non-employee worker in the facility)

Agency Workers (if applicable)	
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
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 N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	D1: Please give details: N/A. No labour agency was used.
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 E1: Please give details: N/A. No labour agency was used.

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: N/A No contractors were used by the facility.
B: If Yes , how many workers supplied by contractors?	N/A No contractors were used by the facility.
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A No contractors were used by the facility.
D: If Yes , please give evidence for contractor workers being paid per law:	N/A No contractors were used by the facility.

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:

It was verified through document review, facility tour, management interview and employee interview that no sub-contracting & Home-working was used by this facility.

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

Details:

1. Production records such as daily production records, material in and out records, inspection records, etc. from 1st May 2019 to Audit date were reviewed.
2. Facility tour
3. Management interview and employee interview.
4. material in and out records

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:	
Description of observation: None observed Local law or ETI/Additional elements requirement: None applicable Comments: None applicable	Objective evidence observed: None applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: None applicable

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

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

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 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility provided a grievance mechanism to employees (such as worker representatives and suggestion box) to report any violations of Labour standards and H&S or any other grievances. And the reporter would be confidential for all reporters.
B: If Yes , are workers aware of these channels and have access? Please give details.	Through employees' interview, all randomly selected employees stated that they were aware of this channel.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Worker representatives and suggestion box
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Use anonymous to report any issues through the grievance mechanism without any punishment or vengeance.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A
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)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details N/A

G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details N/A
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details N/A

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. Through documentation review, the facility established a written disciplinary procedure for employees' misbehaviour which included oral warning, education, warning letter and finally termination, and provided the training program for all employees on the procedure. It was confirmed that employees were aware of the disciplinary procedure through employees' interview.

2. Through management interview, document review and employees' interview, there was a policy on prevention of harsh treatment.

3. There was an internal process for grievance, which was a suggestion box, where employees can report any grievances (such as sexual harassment, bullying, physical abuse and discrimination), and any received complaint will be handled by management, without any reprisal for the employee in question. All selected employees were aware this process. The grievance mechanisms were legitimate, accessible and equitable.

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

Details:

1. The policy on prevention of harassment and abuse
2. Internal grievance procedure
3. Training records
4. Employees' interview and management interview
5. Facility tour

Any other comments:

None

Non-compliance:

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: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable
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Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- The factory's all workers were Chinese. The local workers and migrant workers were hired legally and treated equally in the facility.
- In the audited factory, all migrants came from other provinces out of Guangdong province in China.
- The factory's all workers had the proper legal rights to work in this region.
- The audited facility's youngest worker was 23 years old.
- There was no foreign worker in the facility.

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

Details:

- Hiring procedure
- Personnel files with labour contracts and ID copies
- Employing handbook
- Facility tour
- Management interview and worker interview

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:	
Description of observation: None observed Local law or ETI/Additional Elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

1. The facility had written environmental policy.
2. The facility conducted regular environment protection trainings for all employees.
3. The facility provided the environmental impact assessment report and environmental impact assessment approval for review.
4. Ms. Zhang Rongxia/Admin. Staff was appointed responsibility for environmental issues.

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

Details:

1. The environmental policy
2. Training records on environmental protection
3. Environmental impact assessment report and environmental impact assessment approval.
4. Management interview and employee interviews
5. Onsite observation

Any other comments:

None

Non-compliance:	
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: None observed Local law and/or ETI /Additional Elements requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI/additional elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Other findings

Other Findings Outside the Scope of the Code
None observed


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>
None observed

Photo Form

Best Practice Photos:













None observed	None observed	None observed
N/A	N/A	N/A





Non- Compliance Photos:

	None observed	None observed
NC Photo 1: Employees did not wear proper PPE (Personal Protective Equipment).	N/A	N/A

General Photos:

		
Facility name and facility gate	Production building	Incoming warehouse

		
Cutting	Sewing	Assembly and packing
		
Finished goods warehouse	Fire fighting equipment	Evacuation map
		
Smoke detector	First aid kit	Fire sprinkler
		
PPE warning sign	Occupational hazard sign	Fire alarm

		
Emergency light and exit sign	Toilet	Drinking water
	None observed	None observed
Suggestion box	N/A	N/A

DISCLAIMER:

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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