



Sedex Members Ethical Trade Audit Report



Audit Details

Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 253678707	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 280140142
Business name (Company name):	Changshu Kaicheng Stationary Co., Ltd		
Site name:	Changshu Kaicheng Stationary Co., Ltd 常熟市恺诚制笔有限公司		
Site address: <i>(Please include full address)</i>	Sanhe Village, Yushan Town, Changshu City, Suzhou City, Jiangsu Province, China 中国江苏省苏州市常熟市虞山镇三和村	Country:	China
Site contact and job title:	Wang Shijun / General Manager		
Site phone:	13962300307	Site e-mail:	sales2@writingtop.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar
			<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	June 1- 2, 2020		

Audit Company Name & Logo:



Report Owner (payer):

(If paid for by the customer of the site please remove for Sedex upload)

Changshu Writing Top Imp & Exp Co., Ltd

Audit Conducted By

Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

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

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

Lead auditor: Edward Yan, Social Auditor APSCA number: RA21703354

Lead auditor APSCA status: RA

Team auditor: Nil

Interviewers: Edward Yan, Social Auditor APSCA number: RA21703354

Report writer: Edward Yan, Social Auditor

Report reviewer: Sara Luo, Report Reviewer

Date of declaration: June 2, 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 <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC: 1. The factory did not effectively communicate the ETI Base Code to employees.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	NC: 1. The privacy doors were not provided for four pits in toilet. 2. The valid date of one bottle of burn ointment has expired. 3. No relevant contact information about first aiders was posted on site and the workers also did not know the information well.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. The factory did not provide 5 categories of social insurance for all employees required

									by law.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. The monthly overtime hours of workers exceeded legal requirement.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

General observations and summary of the site:

The site was established in 2013, and produces ball point pen. The business is owned by Wang Weiyuan. The factory is managed by Wang Weiyuan who has managed the site since 2013. It consists of 1 building on site.

The audit was performed over 1.5 days by 1 auditor, and included interviews and records inspection of 12 workers. Workers interviewed included both male and female. All workers were favourable towards the company.

They enjoyed the work and stated it was a friendly environment. Pay is always accurate and is paid on time; no issues with the payslips were noted. Also, they stated that they felt comfortable in approaching with any concerns they have.

There were several non-compliances found in the audit as per the table, specific examples include issues in “Management System and Code Implementation”, “Safety and Hygienic Conditions”, “Living Wages and Benefits” and “Working Hours”.

**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:	Changshu Kaicheng Stationary Co., Ltd													
B: Site name:	Changshu Kaicheng Stationary Co., Ltd													
C: GPS location: (If available)	GPS Address: Sanhe Village, Yushan Town, Changshu City, Suzhou City, Jiangsu Province, China	Latitude: 31.594106 Longitude: 120.693972,												
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91320581071031330B Period of validity: Valid from June 13, 2013 to Long-term													
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Ball point pen													
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Changshu Kaicheng Stationary Co., Ltd was located at Sanhe Village, Yushan Town, Changshu City, Suzhou City, Jiangsu Province, China. They started production at this location since June 13, 2013 based on the business license of the factory.</p> <p>The factory occupied one 2- Storey building as production workshop and office. There was no as dormitory, kitchen or canteen in the factory.</p> <p>A total of 16 employees worked in the factory. All workers worked for 5 days a week in one shift: 7:30-11:30/13:00-17:00, Overtime shift: 18:00-20:00. The normal working hours are 8 hours per weekday. Workers' wages were calculated on hourly-rated basis. The peak season was not obvious according to management interview and worker interviews.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Warehouse, Assembling</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Checking, Packing, Office</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		Production Building no	Description	Remark, if any	Floor 1	Warehouse, Assembling	Nil	Floor 2	Checking, Packing, Office	Nil	Is this a shared building?	No	Nil
Production Building no	Description	Remark, if any												
Floor 1	Warehouse, Assembling	Nil												
Floor 2	Checking, Packing, Office	Nil												
Is this a shared building?	No	Nil												

	<p>F2: Please give details: Based on site tour, the structure of building was safe and integrated. No crack was found during this audit.</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 factory provided structure safety certificate of factory building for review.</p>
<p>G: Site function:</p>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
<p>H: Month(s) of peak season: (if applicable)</p>	<p>The peak season was not obvious according to management interview and worker interviews.</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>The main product manufactured in the factory was ball point pen. The main production processes were as below: Raw material- Assembling- Checking- Packing The main equipment used were Assembling machines.</p>
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
<p>K: Is there any night production work at the site?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
<p>M: Are there any off site provided worker accommodation buildings</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No NA N1: If no, please give details

Audit Parameters

A: Time in and time out	A1: Day 1 Time in: 7:50 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: 8:20 A4: Day 2 Time out: 12:45	A5: Day 3 Time in: Nil A6: Day 3 Time out: Nil
B: Number of auditor days used:	1.5 Auditor Days (1 auditor X 1.5 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Wang Shijun / General Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	NA		
J: Previous audit type:	NA		
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>	NA		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no worker union in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	3	0	0	0	0	0	0	3
Worker numbers – female	13	0	0	0	0	0	0	13
Total	16	0	0	0	0	0	0	16
Number of Workers interviewed – male	2	0	0	0	0	0	0	2
Number of Workers interviewed – female	10	0	0	0	0	0	0	10
Total – interviewed sample size	12	0	0	0	0	0	0	12



A: Nationality of Management	China	
<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>China</u></p> <p>B2: Nationality 2: <u>Nil</u></p> <p>B3: Nationality 3: <u>Nil</u></p>	<p>Was the list completed during peak season?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u></p> <p>C1: approx % total workforce: Nationality 2 <u>0</u></p> <p>C2: approx % total workforce: Nationality 3 <u>0</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</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	One group including 4 workers.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 1 D2: Female: 7
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?	No worker complained anything during the interview.
I: What did the workers like the most about working at this site?	The workers said they were satisfied with the working conditions.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	All workers said that overtime working was voluntary and the overtime hours were acceptable.
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, please give details: The factory had conducted background survey to all employees, including their home address, family members, education & working experiences and so on. Relevant survey information was well maintained by the factory. There was also an annual worker satisfaction survey	

conducted by management in the factory.

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 factory agreed that ESTS auditor could conduct confidential interviews with workers who were chosen freely without any influence by the factory management; And 12 workers were randomly selected from different workshops for individual or group interviews; The worker interviews were conducted at an independent room located at the workshop. The workers showed a cooperative attitude during the interview process. Based on the worker interviews, workers expressed their positive attitude to management and workplace. All workers said that they were satisfied with working condition and wages in the factory.

The information of interviewed workers as follows:

1. As for child labour issues, all interviewed workers said that the factory checked their ID cards to verify their ages and kept their ID copies during recruitment. No child labour was identified during the audit.
2. As for forced labour issues, they said they were not required to lodge the "deposit" or to deposit their personal ID cards; the employees could resign at their choice and should inform the factory 30 days in advance. All interviewees said they could leave factory freely after work, during lunch break and dinner break.
3. As for discrimination issues, they said they could get the job based on their working experiences and abilities. The female worker's and male worker's wages were calculated at the same rate if they engaged for the same work. All interviewees confirmed that no discrimination occurred in the factory.
4. As for discipline practice issues, the interviewees said they would be warned if they broke the factory rules.
5. As for safety and health issues, the workers were satisfied with the working condition and the factory regularly provided safety training to workers. The new employed workers would be trained before they engaged their work. Fire drills were conducted twice per year.
6. As for working hour issues, all interviewed worker said they usually worked 5 days per week and 8 hours per day. All interviewees said that they usually worked overtime for 2 hours per day on Weekdays and 0-8 hours on Saturdays.
7. As for wages issues, all interviewees said that their wages were calculated by hourly-rated basis and the wages were paid on time. Paid annual leave and statutory holiday wages were available for them.
8. As for freedom of association issues, they confirmed that they could complain to their supervisors and employee representative directly or through suggestion box.
9. As for Regular Employment issues, all interviewees said that the factory had signed labour contracts with them and they each kept a copy of the contract.

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

The worker representatives showed a cooperative attitude during the interview process. Based on the interview, the representatives expressed their positive attitude to management and workplace.

O: Attitude of managers:

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

The management was cooperative throughout the process of the audit. All requested documents were provided timely. All necessary areas were allowed access for the tour, and a private meeting room was arranged for worker interviews. Moreover, the management promised to take corrective actions for non-compliances.

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. The factory had 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.
2. Wang Shijun / General Manager was appointed to be responsible for implementing standards concerning Human rights.
3. The factory had identified their stakeholders and salient issues.
4. The factory had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. The factory had a procedure show that the factory will address these issues and enable effective remediation if have an adverse impact on human rights within any of their stakeholders.
6. The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

1. Human right policy and communication records of human right with employee review
2. Management and workers' interview
3. Factory tour

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Factory policy statement expressed commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Wang Shijun Job title: General Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1:Please give details: The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1:If no, please give details:</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory demonstrates effective data privacy procedures for workers' information, which is implemented.</p>

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

Good examples observed:

Description of Good Example (GE): Nil	Objective Evidence Observed: NA
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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: __5.5__ %	A2: This year __5.8__ %
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]	5.8%	
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: Accident records were kept in files, but no accidents were occurred base on the accidents record.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number:0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year:0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the	J1: 6 months __0__% workers	J2: 12 months __0__% workers

last 6 / 12 months:		
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0B: Management system and Code Implementation (Click here to return to summary of findings)
<p>0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>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</p> <p>0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.B.4 Suppliers are expected to communicate this Code to all employees.</p> <p>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.</p>

Current Systems and Evidence Examined <i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i>
<p>Current systems:</p> <ol style="list-style-type: none"> 1. Wang Shijun / General Manager was appointed to be responsible for compliance with the local laws and the Codes. 2. The factory had conducted social accountability internal audit to itself. 3. Based on the interview of factory management, they were familiar with local laws and ETI Base Code. 4. The factory had not communicated this Code to all employees effectively. 5. The factory had communicated this Code to their suppliers. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. Social accountability policy and procedure 2. Supplier assessment record 3. Management interview and workers interview 4. Factory tour <p>Any other comments: Nil</p>

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: In the last 12 months, the factory was not subject to any fines/prosecutions for non-compliance to any regulations.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination,	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

harassment & abuse?	B1: Please give details: The factory had policies and procedures on reducing the risk of forced labour, child labour, discrimination.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established relevant procedures about reduce the risk of forced labour, child labour, discrimination, harassment and abuse. And all workers had known it.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory had conducted training on the standards for forced labour, child labour, discrimination, harassment & abuse.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training record was reviewed and it was cross checked with the management and workers.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The site did not have any internationally recognised system certification
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Wang Shijun / General Manager
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Wang Shijun / General Manager
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory had a policy to ensure all worker information is confidential.
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: The factory had a policy called human resource procedure to ensure confidential information is kept confidential.
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 assessments were conducted once a year 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: The factory had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
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 factory had a policy which requires labour standards of its own suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The site has all required land rights licenses and permissions.
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 systems in place to conduct legal due diligence to recognize and apply national laws and practices 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Remark: The Land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. So if the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: No related record was provided by the factory.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The Facility demonstrates that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts.

<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No negative evidence was found.</p>
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Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Based on observation on site and workers interview, the factory did not effectively communicate the ETI Base Code to employees.</p> <p>Local law and/or ETI requirement: ETI O.B.4 Suppliers are expected to communicate this Code to all employees.</p> <p>Recommended corrective action: It is recommended that the factory should communicate the ETI Base Code to all employees.</p>	<p>1.Objective evidence observed: (where relevant please add photo numbers) On-site observation, management interview and workers interview.</p>
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Observation:

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

<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</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. No forced, bonded or involuntary prison labour was found during the audit.
- 2. Most employees got their jobs by themselves or by friends' recommendation.
- 3. The factory rules and policies showed that employees could be freely resignation after communication with management 30 days in advance.
- 4. They were not required to lodge deposits or their Identity papers to the factory at the beginning of employment.

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

Details:

- 1. Factory policy and procedure
- 2. Personnel files
- 3. Resignation records and leave records
- 4. Employee handbook
- 5. Management and worker interviews
- 6. Factory tour

Any other comments:

Nil

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:</p>

<p>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'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding:</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><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 site understands the risks of forced / trafficked / bonded labour in its supply chain.</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The site had policy and procedures on reducing the risk of forced and trafficked labour.</p>

Non-compliance:

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

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

Description of Good Example (GE):
Nil

**Objective evidence
observed:**
NA

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. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- 2. Based on documents review, the factory had established a Worker Committee Management Procedure. It was identified that employee representatives could be elected by employees freely.
- 3. The procedure and meeting records showed that the committee communicated with factory management quarterly. And relevant records were kept by the factory.
- 4. All interviewees confirmed that they could raise their complaints to the worker representatives and suggestion box.

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

Details:

- 1. Freedom of association policy
- 2. Selection procedure and records
- 3. Meeting records of worker committee meetings
- 4. Complaint & handling records
- 5. Management and worker interviews
- 6. Factory tour

Any other comments:

Nil

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

- Union (name)
- 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? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Describe: H&S committee. 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:Details: The factory provided adequate facilities to allow the Union or committee to conduct related business	
F: Name of union and union representative, if applicable:	NA	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?	The factory had established a worker committee.	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	All interviewed workers said that they all knew the worker representatives.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: March 5, 2020
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Date of last meeting: April 21, 2020 Topics: Health and safety issues Minutes on communicating: 60	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

If Yes , what percentage by trade Union/worker representation	M1: __NA__% workers covered by Union CBA	M2: __NA__% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA	

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

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established a health and safety policy. A health and safety committee was established in the factory.
2. Wang Shijun / General Manager was the representative of health and safety management system.
3. Fire fighting facilities were equipped in the factory.
4. Examination records of fire fighting equipment were available on site. It was identified that all fire fighting equipment were checked by Safety Officer monthly.
5. Fire drill records with photos showed that the factory conducted fire drill twice per year in the factory. The latest fire drill was conducted on March 25, 2020.
6. There was 1 electrician in the factory. The certificate was provided by the factory for review during the audit.
7. Accident records were kept and provided for review. It was identified that no significant accident occurred in the factory. For any accident, the factory had conducted root cause analysis / corrective actions / preventive actions.
8. There were at least two exits at each floor in the factory.
9. Based on observation on site, the factory building was secure.
10. PPE was provided to workers free of charge.
11. Adequate first aid kits were equipped on site.
12. Base on observation on site, the lighting was acceptable in each workshop.
13. Base on site observation, potable water was provided for workers at each workshop. Based on workers interview, they could access the potable water freely during working time.

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

Details:

1. Health and safety policy
2. Training records and certificates
3. Fire equipment maintenance records
4. Fire drill records
5. Fire safety certificate

6. Building structure safety certificate
7. Accident reports
8. Management and workers interview
9. Factory tour

Any other comments:
Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory has general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and properly communicated to workers.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The policies were included in 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 C1: Please give details: No structural addition was found.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please give details: No need of personal protective equipment to visitor.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room was available in the factory, but adequate first aid kits and first aider was available in the factory.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There was 1 qualified first aider on site.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport was provided for workers in the factory.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: The factory did not provide dormitory for workers.</p>

<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory had conducted H&S Risk assessments and there were relevant controls to reduce identified risks.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had met its legal obligations on environmental requirements including required permits for use and disposal of natural resources.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA K1: Please give details: No customer requirement was provided.</p>

Non-compliance:

1. Description of non-compliance:

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

Based on observation on site and management interview, it noted that the privacy doors were not provided for four pits in toilet on factory.

Local law and/or ETI requirement

ETI Base Code 3.3

Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Recommended corrective action:

It is recommended that the factory should provide privacy doors for related pits on toilet.

2. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code: Based on site observation, it was noted that the valid date of one bottle of burn ointment has expired.

Local law and/or ETI requirement:

Hygienic standards for the Design of Industrial Enterprises (GBZ 1-2010) 8.3.3

First-aid kit shall be laid in the place where it is convenient for worker's usage and the allocation may be determined according to actual demand and Table A.4 in Annex A. Besides, the allocation shall be checked and renewed regularly by specially-assigned persons.

ETI Base Code 3.1

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

1. Objective evidence observed:

On-site observation.
(Refer to NC photo #1)

2. Objective evidence observed:

On-site observation.
(Refer to NC photo #2)

<p>Recommended corrective action: It is recommended that the factory should check and renew the supplies regularly by specially-assigned persons.</p> <p>3. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Based on site observation, workers and management interview, it was noted that no relevant contact information about first aiders was posted on site and the workers also did not know the information well.</p> <p>Local law and/or ETI requirement: ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that the factory should post relevant contact information about first aiders on site and communicate contact information of first aiders to employees effectively.</p>	<p>3.Objective evidence observed: Based on site observation, workers and management interview</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

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

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:

- 1. The factory had established policy and procedure on prohibiting child labour.
- 2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify ages.
- 3. Checks of all workers files showed that the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour and young worker was identified in the factory.
- 4. Based on observation on site and workers interview, no child labour and young worker was identified during the audit.

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

Details:

- 1. Recruitment policies
- 2. Employees' personal files/ Employment registration/roster
- 3. Management and workers interview
- 4. Factory tour

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker found was 31 years old, born on May 10, 1989 and hired on November 11, 2016
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	0 %

workers)	
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 NA

Non-compliance:

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

Description of observation: Nil Local law or ETI requirement: NA Comments: NA	Objective evidence observed: NA
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Good Examples observed:

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

1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The factory kept and provided payroll records from May 2019 to April 2020 for review during the audit. All workers were paid by hourly-rate basis, and the local minimum wage standard was set at RMB 2020 per month equivalent to RMB 11.60 (2020/21.75/8) per hour since August 1, 2018.
3. Based on payrolls review, the overtime wages of workers were guaranteed.
4. The wages were paid by Cash on 28th of each month. Workers did not work overtime on statutory holidays.
5. Based on factory rules review, if the factory rules were broken, relevant workers would be warned and trained.
6. Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers.
7. Based on workers and management interview, the factory provided detailed payslips to all workers when they received wages.
8. There were 16 employees in the factory. Based on documents review and management interview, the factory did not provide any employees with 5 categories of social insurance including retirement insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance.
9. No deductions from wages as a disciplinary measure was found during the audit based on document review and worker interviews.

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

Details:

1. Attendance records: May 2019 to audit day
2. Payroll records: May 2019 to April 2020
3. Leave records
4. Social insurance and payment receipts from the local labour department/Bank
5. Labor contracts for all employees (to examine agreed wage rates)
6. Resignation records
7. Workers' Payslips
8. Management and worker interviews

9. Factory tour

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

There were 16 employees in the factory. Based on documents review and management interview, the factory did not provide any employees with 5 categories of social insurance including retirement insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance.

Local law and/or ETI requirement:

Law of the People's Republic of China

Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73, laborers shall, under the following circumstances , enjoy social insurance benefits in accordance with the law :

- (1) Being retired;
- (2) Being ill or injured;
- (3) Being injured or disabled while on duty or contracted with occupational diseases;
- (4) Being unemployed; or
- (5) Childbirth.

After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law.

The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations.

The social insurance money that laborers are entitled to must be paid on schedule and in full.

ETI Base Code 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 factory should provide 5 categories of social insurance for all employees.

1.Objective evidence observed:

Social insurance payment receipts, workers interview and management interview.

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Objective evidence observed:

NA

NA	
Comments: NA	

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 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
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: Not exceeding 3 hours per day and 36 hours per month.	B1: Maximum 2 hours per day and 50 hours per month.	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Minimum wage standard was set at RMB 2020 per month equivalent to RMB 11.60 (2020/21.75/8) per hour since August 1, 2018.	C1: RMB 13.79 per hour.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Under any of the following circumstances, the employing unit shall, according to the following standards, pay laborers remunerations	D1: Under any of the following circumstances, the employing unit shall, according to the following standards, pay laborers remunerations that are higher	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	<p>that are higher than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.</p>	<p>than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.</p>	
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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?	NA	
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Monthly Wage: 10 out of 10 samples of wages records from current month (April 2020, RMB3462 ~ RMB 4112), 10 out of 10 samples of wages records from random month (February 2020, RMB 2552~ RMB 3031), 10 out of 10 samples of wages records from random month (December 2019, RMB3682~ RMB 4374)	
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:
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:
E: For the lowest paid production	<input type="checkbox"/> Below legal	E1: Lowest actual wages found: <i>Note: full time</i>

<p>workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p>min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above</p>	<p>employees and please state hour / week / month etc. RMB 13.79 per hour.</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: <u>0</u>% of workforce earning under minimum wage F2: <u>0</u>% of workforce earning minimum wage F3: <u>100</u>% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: full time employees and please state hour / week/month etc.</i> Nil</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance (retirement, medical, unemployment) and Individual income tax.</p>		
<p>I: Have these deductions been made?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>I1: Please list all deductions that have been made.</p>	<p>Nil</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Individual income tax Please describe: The workers' wage did not reach the standard of deduction. 2. Social insurance Please describe: The factory did not provide social insurance for workers.</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>K1: Type NA <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:</p>	
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The records reflect all time worked.</p>		
<p>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></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No M1: Please specify amount/time: NA. No defined living wage provided by local department.</p>		

<p>M2: If yes, what was the calculation method used.</p>	<p><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: NA</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had periodic reviews of wages.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details:</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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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. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory.
2. The attendance records showed that workers occasionally worked overtime on Weekdays or Saturdays.
3. The factory kept and provided attendance records from May 2019 to the audit day for review during the audit.
4. The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours (including 2 hours' overtime working), 52 hours (including 12 hours' overtime working) and 50 hours respectively.
5. Based on attendance records review, the all workers had enjoyed one day off per week.
6. Based on observation on site, the factory used fingerprint recognition system to record working hours of employees.
7. Through worker interviews, overtime is voluntary.

Evidence examined – to support system description (Documents examined & relevant comments. Include

renewal/expiry date where appropriate):

Details:

1. Factory policy
2. Working time records: from May 2019 to audit day
3. Labour contracts of workers
4. Review QC and production records to cross-check working hours
5. Management and workers interview
6. Factory tour

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

The factory provided workers attendance records from May 2019 to audit day for review. 10 workers were randomly selected to check their working hours in December 2019, February and April of 2020. Based on those records, 10 out of 10 sample workers worked overtime for 42 hours in April 2020, 10 out of 10 sample workers worked overtime for 50 hours in December 2019. As a result, The monthly overtime hours exceeded 36 hours as the labor law required.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China, Article 41

The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

ETI Base Code 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 factory should make sure the overtime hours of all workers are in accordance with legal requirement.

1. Objective evidence observed:

Attendance record review, management interview and worker interviews.

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Objective evidence observed:

NA

NA	
Comments: NA	

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

Working hours' analysis	
Please include time e.g. hour/week/month <i>(Go back to Key information)</i>	
Systems & Processes	
A. What timekeeping systems are used: time card etc.	Describe: fingerprint recognition 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:
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: <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other
	If "Other", Please define: NA
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:
F: Are workers provided with at least 1 day off in	F2: Please select all F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes

every 7-day-period, or 2 in 14-day-period?	applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	<input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		NA
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:
		NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 10 out of 10 working hour samples from current month (April 2020): Daily OT: Max. 2 hours Weekly OT: Max. 12 hours Monthly OT: Max. 42 hours 10 out of 10 working hour samples from random month (February 2020): Daily OT: Max. 2 hours Weekly OT: Max. 12 hours Monthly OT: Max. 22 hours 10 out of 10 working hour samples from random month (December 2019): Daily OT: Max. 2 hours Weekly OT: Max. 12 hours Monthly OT: Max.50 hours	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The maximum weekly working hours are 52 hours.	
K: Approximate percentage of total workers on highest overtime hours:	__100__%	

<p>L: Is overtime voluntary?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Based on employment contract, employee handbook and worker interview, the overtime in the factory was voluntary.</p>
<p>Overtime Premiums</p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<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: Under any of the following circumstances, the employing unit shall, according to the following standards, pay laborers remunerations that are higher than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: Based on the wages payment record, attendance record and worker interviews, 100% overtime wages were paid each month.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input 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 NA	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>NA</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>

	NA
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: NA
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 type="checkbox"/> Yes <input type="checkbox"/> No NA

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:

1. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
3. The management knew the requirement of non-discrimination.

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

Details:

1. Employee handbook, the hiring and termination procedure.
2. Leave application and termination records.
3. Attendance and payroll records.
4. Training records.
5. Management and worker interview

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u> 64 </u> % A2: Female <u> 36 </u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 13 women who were in skilled at Assembling, Checking, Packing.
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?:	<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 C1: Please give details: NA
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Professional Development

A: What type of training and development are available for workers?	Job training, safety training and etc.
---	--

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details:
--	---

Non-compliance:

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

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

<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed:</p>
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	NA
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8: Regular Employment Is Provided

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

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

ETI

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

- 8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
- 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
- 8.5 Employment agencies must only supply workers registered with them.
- 8.6 Workers pay no recruitment fee at any stage of the recruitment process.
- 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
- 2. Work performed was on the basis of recognized employment relationship established through national law and practice.
- 3. The factory signed labour contracts with workers within 30 days after employment. According to worker interview, they had a copy of the signed labour contract.
- 4. No homework was arranged. No apprenticeship scheme was practiced in this factory.
- 5. No employment agency was used.

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

Details:

- 1. Employee manual
- 2. Hiring and termination procedure
- 3. Labour contracts
- 4. Personal files
- 5. Payroll records
- 6. Management and workers interview
- 7. Factory tour

Any other comments:
Nil

Non-compliance:

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

Observation:

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

<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>
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Responsible Recruitment

<p>All Workers</p>	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>

<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected:</p>
<p>C: If yes, check all that apply:</p>	<p><input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: NA</p>
<p>D: If any checked, give details:</p>	<p>Nil</p>

Migrant Workers:

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

<p>A: Type of work undertaken by migrant workers:</p>	<p>NA</p>	
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used: NA B2: Total number of (outside of local country) recruitment agencies used: NA</p>	
<p>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?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA C1: Please describe finding:</p>	<p>C2: Observations:</p>
<p>D: Are Any migrant workers in skilled,</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	

<p>technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p>NA</p> <p>D1: If yes, number and example of roles:</p>
--	---

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
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 NA B1 – If other, please give details: NA
C: If any checked, give details:	NA

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: NA
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA

<p>C: Were sufficient documents for agency workers available for review?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
<p>D: Is there a legal contract / agreement with all agencies?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No NA D1: Please give details: NA
<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No NA E1: Please give details: NA

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

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:

1. The factory had policies on sub-contracting and sub-contractor control.
2. It was verified through document review, factory tour, management interview and workers interview that no home-working and sub-contracting was used by this factory.

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

Details:

1. Factory policy
2. Factory tour (Calculation on total production and estimated capacity)
3. Materials in/out records
4. Management and workers interview

Any other comments:

Nil

Non-compliance:

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

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

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

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
<p>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</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:</p>
<p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details:</p>
<p>C: Number of sub-contractors/agents used:</p>	
<p>D: Is there a site policy on sub-contracting?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes, summarise details:</p>

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: There are published, anonymous and open channels available for reporting any violations of Labour standards and H&S.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>The workers had free access to all channels.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hot line, suggestion box.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: There is a grievance mechanism in place for all groups above.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
--	--

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 management established a disciplinary procedure for workers misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure.
- The factory established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence happened in the past.
- There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.
- There was no incidence of sexual harassment found based on record review and interviews.

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

Details:

- Factory regulations
- Relevant policy on prevention of harassment and abuse
- Internal grievance procedure documentation
- Training records
- Management and workers interview
- Factory tour

Any other comments:
 Nil

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

Observation:

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

Good Examples observed:

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

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

[\(Click here to return to NC-table\)](#)

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current systems:

1. No employment agency was used by the factory.
2. The factory recruited the new workers by the advertisements or the employee's recommendation.
3. All workers would be reviewed and validated with the original documentation before they were employed.

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

Details:

1. Labor contracts
2. Personnel files
3. Hiring procedure
4. Worker handbook
5. Management and workers interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

Nil

Local law and/or ETI /Additional Elements requirement:

NA

Recommended corrective action:

NA

Objective evidence observed:

(where relevant please add photo numbers)

NA

Observation:

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

<p style="text-align: center;">Good examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

10. Other issue areas 10B4: Environment 4–Pillar

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

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance.

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

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

Current systems:

1. The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations.
2. The annual monitoring report for waste air and noise showed that the pollutant discharging was compliant with the environmental laws and regulations. Based on observation on site, all wastes were properly classified and collected by the factory. No negative evidence was identified during this audit.
3. Based on workers interview, all interviewees had been trained on environmental protection issues.
4. The factory had established environment policy including environment emergency action procedures, relevant procedure and carried out the Environment Management System as well.
5. Through checking the website of IPE (Institute of Public and Environmental Affairs) - <http://www.ipe.org.cn>, there was no violation information found about the factory.

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

Details:

1. All legally required environmental documents
2. Environmental policy and training records
3. Workers and management interview
4. Factory tour

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local

NC against customer code:

Nil

Objective evidence observed:

NA

Local law and/or ETI/Additional Elements requirement:

NA

Recommended corrective action:

NA

Observation:

Description of observation:

Nil

Objective evidence observed:

NA

Local law or ETI/Additional Elements requirement:

NA

Comments:

NA

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

NA

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mu Muqiu, Office Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: The site did not have a recognised environmental system certification such as ISO 14000.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: It addressed the key impacts from their operations and their commitment to improvement.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Nil
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The factory provided the pollutant discharge permit for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The factory provided the documents for review which recorded the hazardous chemicals used in the manufacturing process.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had set up the system to manage client's requirements.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:

discharge, waste, energy and green-house gas emissions:	The factory had set the reduction targets in place for environmental aspects.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory provided relevant using records, transferring records, purchasing records and etc.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory accurately recorded consumption of key utilities of water, energy and natural resources per month.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: NA	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: __June 2018 to May 2019_____	Current Year: Please state period: _June 2019 to May 2020_____
Electricity Usage: <i>Kw/hrs</i>	16000	15500
Renewable Energy Usage: <i>Kw/hrs</i>	NA	NA
Gas Usage: <i>Kw/hrs</i>	NA	NA
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	NA	NA
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	Local water authority	Local water authority
Water Volume Used: <i>(m³)</i>	80	77
Water Discharged: <i>Please list all receiving waters/recipients.</i>	Municipal sewage system	Municipal sewage system
Water Volume Discharged: <i>(m³)</i>	0	0
Water Volume Recycled: <i>(m³)</i>	0	0

Total waste Produced <i>(please state units)</i>	1t	1t
Total hazardous waste Produced: <i>(please state units)</i>	0	0
Waste to Recycling: <i>(please state units)</i>	1t	1t
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	8 Million pcs	7.5 Million pcs

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established the Anti-bribery & Anti-corruption policy and procedure.
2. The factory had signed the Anti-bribery agreement with main suppliers and employees.
3. The factory had a transparent system in place for confidentially reporting.
4. Wang Shijun / General Manager was the designated person responsible for implementing standards concerning Business Ethics.
5. The factory had provided Business Ethics training for all employees.

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

Details:

1. Anti-bribery & anti-corruption policy and procedure
2. Anti-bribery agreement signed between suppliers and factory
3. Anti-bribery agreement signed between employees and factory
4. Training records

5. Management and workers interview
 Any other comments:
 Nil

Non-compliance:

Description of non-compliance:

NC against ETI/Additional Elements

NC against Local

NC against customer code:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

NA

Local law and/or ETI/Additional Elements requirement:

NA

Recommended corrective action:

NA

Observation

Description of observation:

Nil

Objective evidence observed:

NA

Local law or ETI/Additional elements requirements:

NA

Comments:

NA

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

NA

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- Internal Policy
 - Policy for third parties including suppliers
- A1: Please give details:

The facility had a Business Ethics Policy and the policy had been communicated and applied both internally and

	externally.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory had given training to relevant personnel (e.g. sales and logistics) on business ethics issues. Relevant training records were provided for review.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Wang Shijun / General Manager was appointed to be responsible for this work. The policy would be reviewed quarterly and updated on regular basis if needed.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory maintained and provided the suppliers' training records about business ethics for review.

Other findings

Other Findings Outside the Scope of the Code
Nil

Nil

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

Nil

Appendix 1

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

Not Applicable please x






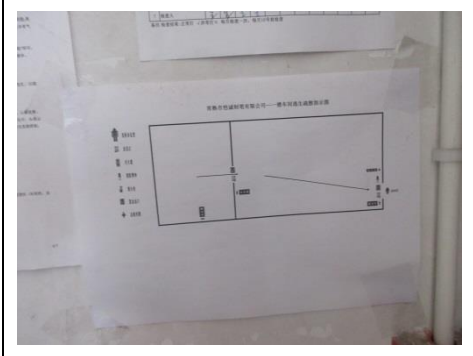




Photo Form

Non-Compliance Photos:

		<p>Nil</p>
<p>#1: The privacy doors were not provided for four pits in the toilet.</p>	<p>#2: The valid date of one bottle of burn ointment has expired.</p>	<p>Nil</p>

General Site Tour Photos:

<p>Factory Name</p>	<p>Factory Gate</p>	<p>Warehouse</p>
<p>Assembling</p>	<p>Checking and Packing</p>	<p>Attendance Recorder</p>

		
<p>Potable Water</p>	<p>First Aid Kit</p>	<p>Fire Hydrant</p>
		
<p>Fire Extinguishers</p>	<p>Fire Alarm</p>	<p>Emergency Evacuation Plan</p>
		
<p>Toilet</p>	<p>Suggestion Box</p>	<p>Exit Sign and Emergency Light</p>
	<p>Nil</p>	<p>Nil</p>
<p>Business License</p>	<p>Nil</p>	<p>Nil</p>



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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

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

[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=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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