



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



**Audit Details**

Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: Not provided	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: Not provided
Business name (Company name):	Cosfibel HK Ltd		
Site name:	Shenzhen YongChangDa Bag Co., Ltd.		
Site address: <i>(Please include full address)</i>	Building G, 2nd Industrial Zone, Shengkeng, Henggang Town, Longgang District, Shenzhen City, Guangdong Province	Country:	China
Site contact and job title:	Ms. Huaying Xiong / HR Manager		
Site phone:	86-755-28639374	Site e-mail:	Not provided
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	26 Aug. 2019		

**Audit Company Name & Logo:**



**Report Owner (payer):**

Cosfibel HK 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):

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

Lead auditor: Shirley Fan	APSCA number: 21700109
Lead auditor APSCA status:	In good standing
Team auditor: Iverson Lee	APSCA number: 21700120
Jason Lv	ASCA number: 21700173
Interviewers: Jason Lv	

Report writer: Shirley Fan	
Report reviewer: Jeff Tang	APSCA number: 21700009

Date of declaration: 26 Aug. 2019

*Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.*

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) 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 <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	
0B <a href="#">Management systems and code implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	1. The factory did not post the ETI Code for all employees.
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	1. No protective device was equipped for machines; 2. Workers did not wear provided PPE.
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	
5. <a href="#">Living Wages and Benefits</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	
6. <a href="#">Working Hours</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	
8. <a href="#">Regular Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
8A. <a href="#">Sub-Contracting and</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	



	<u>Homeworking</u>								
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	

General observations and summary of the site:

**Site Summary**

- The products manufactured at this site are: Bags
- Overall responsibility for meeting the standards is taken by the factory manager, Ms. Huaying Xiong / HR Manager.
- There are 298 employees on site, all are permanent.
- The youngest employee on site was 18 years old who was born on 20 March 2001 and entered the factory on 25 March 2019.
- Worker representatives were available in the factory.
- There is evidence of both male and female in management and among supervisor.
- No obvious peak month in the factory.
- 26 employees including 8 males and 18 females were randomly selected for interview, 6 employees were interviewed individually and 4 employees were interviewed in 1 group.
  - Payroll records from August 2018 to July 2019 and attendance records from 01 August 2018 to 25 August 2019 were provided for review. 25 employees' payroll records and attendance records from July 2019 (current month), March 2019 (random month) and November 2018 (random month) were reviewed in this audit. No inconsistent information was noted between the production record and the provided attendance records, so the wages and working hours could be verified during this audit.
  - Based on the provided attendance records, standard working hours in this factory were 8 hours per day, 40 hours per week with at least 1 day off in a week.
  - Based on the provided payroll records, the facility paid 150% and 200% of normal rate for overtime on normal workdays and rest days; no work was arranged on holidays.
  - Based on the provided attendance records, the monthly overtime hours were:
    - 36 hours/month in July 2019 (current month)

36 hours/month in March 2019 (random month)  
36 hours/month in November 2018 (random month)

**Issues Found****NC's**

1. The factory did not post the ETI Code for all employees.
2. No protective device was equipped for machines;
3. Workers did not wear provided PPE.

**GE**

None observed.

**Additional Auditor Remark:**

None observed.

*\*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:	Cosfibel HK Ltd
B: Site name:	Shenzhen YongChangDa Bag Co., Ltd.
C: GPS location: (If available)	GPS Address: not available Latitude: N/A Longitude: N/A
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: 9144030006858935X8 Validity of business: 08 May 2013 - permanent
E: Products/Activities at site, for example, garment manufacture, electrical, toys, grower, cutting, sewing, packing etc	Bags
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Shenzhen YongChangDa Bag Co., Ltd. located at Building G, 2nd Industrial Zone, Shenkeng, Henggang Town, Longgang District, Shenzhen City, Guangdong Province and China.</p> <p>The total land area occupied by the whole facility is about 9,000 square meters. They started their operation at the existing location since May 2013. The factory occupies one 4-storey building as production and office, one 5-storey building as dormitory, canteen was located at the 1F of the dormitory building.</p> <p>A total of 298 employees were currently working in the factory, which included 242 production employees and 56 non-production employees. There was no local employee in this factory. Migrant workers mostly come from other provinces in China, such as Hunan, Guangxi. All employees were hired by the factory directly and no employee comes from labor agency/contractor. As per the factory management, there's no obvious peak month in the factory.</p> <p>According to the management interview and provided records, employees worked for 5 days per week in one shift. Normal working hours were 08:00-12:00 and 13:30-17:30. Wages for all production employees were calculated on hourly rate basic. Wages were paid in cash before 7<sup>th</sup> of next month.</p> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Nil</p> <p>F3: Does the site have a structural engineer evaluation?</p>



	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  F4: Please give details: Nil  <table border="1" data-bbox="643 465 1468 898"> <thead> <tr> <th>Production Building A</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Cutting, finished goods warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Handwork, high-frequency, packing</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Office, sewing</td> <td>Nil</td> </tr> <tr> <td>Floor 4</td> <td>Packing, sewing</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table>	Production Building A	Description	Remark, if any	Floor 1	Cutting, finished goods warehouse	Nil	Floor 2	Handwork, high-frequency, packing	Nil	Floor 3	Office, sewing	Nil	Floor 4	Packing, sewing	Nil	Is this a shared building?	No	Nil
Production Building A	Description	Remark, if any																	
Floor 1	Cutting, finished goods warehouse	Nil																	
Floor 2	Handwork, high-frequency, packing	Nil																	
Floor 3	Office, sewing	Nil																	
Floor 4	Packing, sewing	Nil																	
Is this a shared building?	No	Nil																	
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor																		
H: Month(s) of peak season: (if applicable)	There was no obvious peak month in the factory.																		
I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i>	The main production processes are listed as follows: Cutting, sewing, high-frequency, handwork, packing.  The main machine/ production lines list of the factory is as following: Cutting machines, sewing machines etc.																		
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) : <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) : worker representatives <input type="checkbox"/> None																		
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																		
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. 60 % of workers in on site accommodation																		

M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:30 Day 1 Time out: 16:30	Nil	Nil
B: Number of auditor days used:	2.5 (three auditors in one day)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not: The factory did not complete it		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause: N/A		
G: Who signed and agreed CAPR (Name and job title)	Ms. Huaying Xiong / HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A. This is an initial audit		
J: Previous audit type:	N/A. This is an initial audit		

K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
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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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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>	The workers were busy producing and representatives were not invited by the factory manager.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No 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	97	0	0	0	0	0	0	97
Worker numbers – female	201	0	0	0	0	0	0	201
Total	298	0	0	0	0	0	0	298
Number of Workers interviewed – male	8	0	0	0	0	0	0	8
Number of Workers interviewed – female	18	0	0	0	0	0	0	18
Total – interviewed sample size	26	0	0	0	0	0	0	26

A: Nationality of Management	100% Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: _____</p> <p>B2: Nationality2: _____</p> <p>B3: Nationality3: _____</p> <p>N/A. 100% of employees is Chinese.</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: 0</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 _____</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p> <p>N/A. 100% of employees is Chinese.</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: _100_ % hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: _100_ % monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	

<b>Worker Interview Summary</b>	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	20 employees in 4 groups
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 2                      D2: Female: 4
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 N, please give details : NA
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"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	Overtime hours can be more.
I: What did the workers like the most about working at this site?	The wages were paid on time and management was friendly.
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	Overtime working was voluntary and working hours can be more.
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, please give details: The ID card copies were kept in the personnel file.</i>	
M: Attitude of workers: <i>(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</i>	



Totally 26 employees were interviewed. 6 employees were selected for the individual interviews and total 20 employees in 4 groups were selected for group interview. All the interviewees were satisfied with the management and no negative information was raised. All interviewed workers expressed their positive attitude to management and the workplace working condition. They all claimed to be satisfied with the working condition in this factory.

**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*

Interviews with the workers representatives, they said their requests raised by employees were always attached importance to managers and taken measures to solve them. Otherwise the worker representatives were happy with the working conditions, and they stated that they could give suggestions on all parts of the site's practices.

**O: Attitude of managers:**  
*(Include attitude to audit, and audit process. Both positive and negative information should be included)*

Factory managers were cooperative with auditors, they accepted the assessment and provided fully access to the whole facility; management also agreed that auditors conducted confidential interviews with workers without any influence. Managers provided required documents and records in time, accompany auditors with factory tour. Two managers attended the closing meeting, confirmed all the findings and signed on the CAPR. At last, the managers were willing to take corrective actions for the findings identified during this assessment.

## 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 enables 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' Auditorsexaminepoliciesandwrittenproceduresinconjuctionwithrelevantmanagers, 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 policy, endorsed at the highest level, covering human rights impacts and issues, and ensures it is communicated to all appropriate parties, including its own suppliers.
2. One manager was designated as the person responsible for implementing standards concerning Human rights.
3. The factory had conducted assessment for the important stakeholders including Human rights regularly.
4. 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:

1. The written policy including human rights was provided for review.
2. The compliance declaration documents including Human rights stamped by suppliers or other stakeholders were provided for review.
3. Appointment book of person responsible for implementing standards concerning Human rights was provided for review.
4. Regular social assessment records including Human rights part of the facility were provided for review.
5. During employee interview, employees could raise the human rights issues by suggestion box confidentially or call the hotline to the General Manager who was responsible for implementing standards concerning Human rights directly.

Any other comments: None.

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: The factory established the policy stated that expresses 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: Ms. Huaying Xiong                  Job title: HR 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                  Please give details: The employees could raise the human rights issues by suggestion box confidentially or call the hotline to the General Manager directly.</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                  If no, please give details: N/A</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                  Please give details: Through document review and employee interview, the private information of employees would never be public for other irrelevant parties.</p>

Findings	
<p><b>Finding:</b> Observation <input type="checkbox"/>      Company NC <input type="checkbox"/>  <b>Description of observation:</b> None observed  <b>Local law or ETI/Additional elements / customer specific requirement:</b>                  Not applicable  <b>Comments:</b> Not applicable</p>	<p><b>Objective evidence observed:</b>                  Not applicable</p>

Good examples observed:	
<p><b>Description of Good Example (GE):</b>                  None observed.</p>	<p><b>Objective Evidence Observed:</b>                  Not applicable</p>

## 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)	Last year: 35 %	This year : 10 %
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 90day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	4.3 %	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: 9.8 %	This year : 3.4 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	3.5 %	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: No accident happened in last 2 years	
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]	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: According to the accident records and employee interview, no accident happened in last 2 years.	
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]	0. According to the accident records and employee interview, no accident happened in last 2 years.	0. According to the accident records and employee interview, no accident happened in last 2 years.
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months 0 % workers	12 months 0 % workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months 0 % workers	12 months 0 % workers

**0B: Management system and Code Implementation**

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

- 0. B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0. B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0. B.4 Suppliers are expected to communicate this Code to all employees.
- 0. B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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 established social accountability policy based upon ETI code.
- 2. The factory had obtained the legal business license and permissions and to have systems to ensure that all relevant land rights have been complied with.
- 3. One manager is responsible for compliance with the Code.
- 4. The factory did not post the ETI Code for employees.
- 5. The factory communicated its social responsibility policy to suppliers.

**Evidence examined:**

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

Any other comments: None

**Management Systems:**

<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  Please describe: NA</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please describe: The factory set up the policy about be against forced labour, child labour, discrimination, harassment &amp; abuse</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Policies exist for (Forced labour, Health and Safety, Wage, Working Hours, No harsh treatment, Environment and Business Ethics),</p>

	these are communicated to employees via poster and annual training.
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 Please describe: The factory conducted training in the standards for forced labour, child labour, discrimination, harassment & abuse for all managers and workers once a year.
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 Please describe: The latest training was conducted in March 2019.
F; Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: N/A
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Ms. Huaying Xiong / HR Manager
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Mr. Heping Shen / General Manager
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The factory set up a policy indicated that the files with the personal information of employees would be kept by the appointed special person. Others would not be accessible without authorization.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: During employee interview and management interview, HR manager was responsible for keeping the profile information files of each employee in her office. Others would not be accessible without authorization.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory conducted internal assessment in March 2019.
L: Does the facility have a process to address issues found when conducting risk assessments, including	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



implementation of controls to reduce identified risks?	Details: The factory addressed issues which found by risk assessments and set up the Preventative action for similar non-compliance.
M: Does the facility have a policy/code which requires labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory communicated its social policy to all suppliers before cooperation.
<b>Land rights</b>	
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 Details: The factory provided the valid land rights licenses such as house property permit for review.
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 Details: During management interview, the facility was aware of local and national and international laws and requirements with regards to Land Rights.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC? The factory set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: N/A. No such situation happened.
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: N/A. No such situation happened.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: NA

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements  NC against Local Law  
 NC against customer code:

Through factory tour and management interview, it was noted that the factory did not post the ETI Code for all employees.

**Local law and/or ETI requirement:**

**Local law:** Nil

**ETI 0. B.4** Suppliers are expected to communicate this Code to all employees.

**Recommended corrective action:**

It is recommended that the factory should post the ETI Code to all employees.  
 (Recommended Completion Timescale: 30 days)

**Objective evidence observed:**

Factory tour  
 Management interview

**Observation:**

**Description of observation:** None observed.

**Local law or ETI requirement:** Not applicable.

**Comments:** Not applicable.

**Objective evidence observed:**

Not applicable.

**Good Examples observed:**

**Description of Good Example (GE):**  
 None observed.

**Objective evidence observed:**

Not applicable.

**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' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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:**

Based on manager interview and documents review, auditor noted that:

- 1. No forced, bonded or involuntary prison labour was used in the factory;
- 2. Workers could freely resignation after communication with management in advance 30 days. No deposit would be required. Workers could resign anytime at their option without any prejudicial consequences.

**Evidence examined:**

- 1. The factory's policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice.
- 2. Employees' employment contracts were reviewed.
- 3. The factory conducted training about no forced, bonded or involuntary prison labour for all managers and workers once a year. The lasted training records were provided to review.
- 4. The interviewed employees raised no concerns of forced or bonded labour. They stated that they are free to leave their working stations once their shifts end; and they are not required to pay any 'deposits' or leave their ID cards with the employer.

Any other comments: None.

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

based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement. F: Is there a modern day slavery statement published	<input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: N/A
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: The factory communicated its anti- forced / trafficked / bonded labour policy to the employees and suppliers. <input type="checkbox"/> Not applicable
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The facility provided the training about anti- forced / trafficked labour for all employees and management. Please describe finding: N/A

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law:  <input type="checkbox"/> NC against customer code:                   None observed</p> <p><b>Local law and/or ETI requirement</b>                  Not applicable</p> <p><b>Recommended corrective action:</b>                  Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>
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**Observation:**

<p><b>Description of observation:</b>                  None observed</p> <p><b>Local law or ETI requirement:</b>                  Not applicable</p> <p><b>Comments:</b>                  Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>
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**Good Examples observed:**

Description of Good Example (GE): None observed.	<b>Objective evidence observed:</b> Not applicable.
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**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' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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. During document review and manager interview, auditor noted that there was a union policy exists in the facility;
- 2. Employees, without distinction, have the right to join union or worker representatives;
- 3. The factory management adopts an open attitude towards the activities of worker committee and their organisational activities.
- 4. Representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 5. The meeting between with factory management and representatives was conducted twice per year.

**Evidence examined:**

- 1. Written freedom of association procedure was established in the factory, which recognized and respected the right of employees to exercise their lawful right of free association.
- 2. Employee handbook was reviewed. It stated that employees are free to form union or worker committee. Nobody will be treated differently whether they are members of worker committee.
- 3. The records from the suggestion box and what relevant actions have been taken were reviewed. Facility management commented that they collect the suggestions from the suggestion box and review them in the management meeting once a month. If agreed, they will take the relevant actions to improve.
- 4. There were representatives elected in the factory. The lasted meeting records between factory management and representative were provided to review.
- 5. The employee also could raise their opinions/ suggestions/ complains etc. by freely speak out face to face to management.

Any other comments: None

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

- Union (name) :
- Worker Committee
- Other (specify) : worker representatives
- 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 Describe: suggestion box, hotline, meeting, etc.  Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Through document review and employee interview, it can be confirmed that representatives were elected by employees freely.	
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 Details: The factory conducted committee meeting regularly to report and discuss the worker's complaint and advice.	
F: Name of union and union representative, if applicable:	N/A	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?	There were 3 worker representatives	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 whom their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Mr. Chuanyi Luo, etc
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 29 March 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No About safety production and overtime hours.	
K: Were worker representatives/union representatives interviewed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please state how many: N/A	
L: State any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The last meeting was conducted on 29 May 2019 and it lasted around 30 minutes to discuss the working condition (health & safety) of the facility.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

If <b>Yes</b> , what percentage by trade Union/worker representation	___0___% workers covered by Union CBA	___0___% workers covered by worker rep CBA
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  None observed  <b>Local law and/or ETI requirement:</b> Not applicable  <b>Recommended corrective action:</b> Not applicable	<b>Objective evidence observed:</b>  Not applicable

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

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

**3: Working Conditions are Safe and Hygienic**

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. General Health and Safety management

- 1) One Manager is appointed as Health & Safety Manager for the site.
- 2) Potable water was freely available in all areas. While the facility conducted test on the water quality of the drinking water from the city water.
- 3) Sufficient clean toilets segregated by gender were available at all times to employees.
- 4) Ventilation, temperature and lighting were adequate for the production processes.
- 5) Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager, and each point is acted on.

2. Fire Safety

- 1) There were at least 2 exits from each work area and these were clearly marked.
- 2) Fire fighting equipment was adequate and checks were up-to-date.
- 3) Evacuation plans were posted in all areas and understood by all employees interviewed.
- 4) Fire drills were organised and recorded every 6 months.
- 5) Training had been given by the local fire department and fire marshals had been specially selected for extra training.

3. Electrical safety

- 1) All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- 2) There were competent electricians at the site and their training certificates were available for review.

4. Chemical safety

- 1) Chemical Material Safety Data Sheets were available and there were hazard diagrams on chemical which needed careful handling.
- 2) Employees in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
- 3) The separated chemical warehouse was set in facility.

5. Medical services

- 1) There were adequate first aid kits in each production area and they were well stocked.
- 2) There were first aiders trained at a local hospital.

**Evidence examined:**

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Fire drill records (conducted in November 2018 and April 2019)
7. Building structure/fire safety certificates
8. Accident reports (No work-related injury occurred)
9. Chemical list and MSDS for each chemical
10. Interviews with H&S manager
11. Interviews with employees and H&S committee members

Any other comments: None.

<p>A: Does the facility have general Health &amp; Safety and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Through document review and employee interview, EHS policy and procedures were set up and communicated to employees.</p>
<p>B: Are the policies included in worker's manual?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The EHS policy was mentioned in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: No such building in the factory.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The facility would communicate with the EHS policy with visitors before they conducted facility tour and the proper PPEs would provide for visitor before they entered relevant production area where PPE was required.</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the rooms meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: No medical room in the factory and no such requirement in China, but first aid kits and first aiders were available.</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</p> <p>Details: Through document review and employee interview, there were first aiders in the factory.</p>

<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  Details: The factory did not provide worker transport.</p>
<p>H: Secure personal storage space is provided for workers in their living space and is fit for purpose</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Details: Secure personal storage space is provided in the dormitory rooms</p>
<p>I: H&amp;S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Details: The factory conducted internal social assessment and took measures to conduct the preventative and corrective Actions</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                  Please describe: Through document review and management interview, the factory met the legal requirements to use and disposal of natural resources, such as environment impact assessment approval.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please describe: Through document review and factory tour, the facility met customer requirements on environmental standards.</p>

**Non-compliance:**

**1. Description of non-compliance:**

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

It was noted that in sewing department which located at 3F and 4F of the production building, no belt guards were equipped to 4 sets of special sewing machines; no finger protective devices were equipped on 20 sets of sewing machines.

**Local law and/or ETI requirement:**

According to Law of the PRC on Work Safety article 33, the design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.

**ETI 3.1** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

**Recommended corrective action:**

**Objective evidence observed:**

Factory tour  
 Management interview  
 See NC photo 1, 2

<p>It is recommended that the factory should equip relevant safety devices to mentioned sewing machines.</p> <p>(Recommended Completion Timescale: 30 days)</p> <p><b>2. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:                  It was noted that 6 workers in handwork department did not wear provided masks while using chemicals.</p> <p><b>Local law and/or ETI requirement:</b>                  According to Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.</p> <p><b>ETI 3.1</b> 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><b>Recommended corrective action:</b>                  It is recommended that the factory should ensure relevant worker to wear provided PPE.                  (Recommended Completion Timescale: 30 days)</p>	<p><b>Objective evidence observed:</b>                  Factory tour                  Worker interview                  Management interview</p> <p>See NC photo 3</p>
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Observation:	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b> None observed</p>	<p><b>Objective Evidence Observed:</b> Not applicable</p>

**4: Child Labour Shall Not Be Used**

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**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' Auditorsexaminepoliciesandwrittenproceduresin conjunctionwithrelevantmanagers, 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 set up the policy of checking ages of employees at application stage, and this includes checking ID's. Once employees have joined their original ID's are copied and given back to them whilst copies only are kept in their personnel file.
- 2. Checks of all employees' files showed that the youngest employee present was 18 years old.
- 3. There was a note on young workers in the employee handbook detailing special employment conditions which included that by law young workers will be given a regular health check and will be registered with the local labor office. Through document review and employee interview, there was no young worker in the factory.
- 4. Non child labour policy were posted on site and communicated to all employees during the refresh employee training.

**Evidence examined:**

- 1. Personnel files of all employees
- 2. Latest list of employees
- 3. Management and employee interview

Any other comments: None.

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	18 years old
C: Are there children present on the workfloor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: No worker under 18 years worked in

	the factory.
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Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:                      None observed.</p> <p><b>Local law and/or ETI requirement:</b>                      Not applicable.</p> <p><b>Recommended corrective action:</b>                      Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p> <p><b>Local law or ETI requirement:</b>                      Not applicable</p> <p><b>Comments:</b> Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      None observed.</p>	<p><b>Objective Evidence Observed:</b></p> <p>Not applicable.</p>



**5: Living Wages are Paid**

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

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

**ETI**

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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.*

1. The local minimum wage standard for full-time work was set at RMB 2200 per month equivalent to RMB 12.64 (2200/21.75/8) per hour since 1<sup>st</sup> August 2018.
2. All employees' wages were calculated by hourly-rate.
3. Based on provided records, 150% and 200% of normal rate were paid by facility for employees' overtime working in normal working days and rest days. No overtime work was arranged on official public holidays.
4. The factory has established clear wages policy which has been communicated to all employees.
5. All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
6. Benefits of paid annual leave were given to all workers.
7. All workers were paid before 7<sup>th</sup> of next month by cash and the payment calculation period was from 1<sup>st</sup> to 31<sup>th</sup>. Each worker was given a pay slip and signed for their wages.
8. Through document review and factory tour, no inconsistent was found between production records and provided attendance records.
9. Sufficient social insurance coverage was noted. All employees participated in all 5 types of social insurance except 4 new employees and 17 employees who were older than 50.

**Evidence examined:**

1. Document review (leave records, social insurance receipts, payslips)
2. Employee interview
3. Local and national laws
4. Wages and benefits policy (annual leave, allowance)
5. Local legal minimum wage documents
6. Payroll records (August 2018 to July 2019)
7. Leave records
8. Social insurance and payment receipts from the local labor department
9. Labor contracts for all employees
10. Resignation records

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:                  None observed.</p> <p><b>Local law and/or ETI requirement:</b>                  Not applicable.</p> <p><b>Recommended corrective action:</b>                  Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>
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<b>Observation:</b>	
<p><b>Description of observation:</b>                  None observed.</p> <p><b>Local law or ETI requirement:</b>                  Not applicable.</p> <p><b>Comments:</b>                  Not applicable.</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable.</p>

<b>Good Examples observed:</b>	
<p>Description of Good Example (GE):                  None observed.</p>	<p><b>Objective Evidence Observed:</b></p> <p>Not applicable.</p>

**Summary Information**

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal minimum: 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 minimum: 3 hours per day and 36 hours per month	B1: 0-2 hours per day and 36 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>	RMB 2200 per month equivalent to RMB 12.64 (2200/21.75/8) per hour since 1 <sup>st</sup> August 2018	C1: RMB 2200 per month equivalent to RMB 12.64 (2200/21.75/8) per hour since 1 <sup>st</sup> August 2018	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<p>D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible perch, day, week, and month)</p>	<p>Legal minimum: 150% , 200% and 300%of normal rate were paid by facility for employees' overtime working in normal working days, rest days and official holidays respectively</p>	<p>D1: 150% , 200% and 300%of normal rate were paid by facility for employees' overtime working in normal working days, rest days and official holidays respectively</p>	<p>D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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<p align="center"><b>Wages analysis:</b> <i>(Click here to return to Key Information)</i></p>	
<p>A: Were accurate records shown at the first request?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>A1: If <b>No</b>, why not?</p>	<p>N/A</p>
<p>B: Sample Size Checked (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)</p>	<p>26 payroll records from July 2019 (current month) 26 payroll records from March 2019(random month) 26 payroll records from November 2018 (random month)</p>
<p>C: Are there different legal minimum wage grades? If <b>Yes</b>, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b>, please give details: NA</p>
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>No</b>, please give details: NA</p>
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above Lowest actual wages found: RMB 12.64 per hour, total RMB 3595 per month in March 2019  RMB 3595 =RMB 2125.2 (normal hour wages)+RMB 910.8 (overtime hour wages) + RMB 750 - RMB 192 (social insurance)</p>
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>___% of workforce earning under min wage ___% of workforce earning min wage 100 % of workforce earning above min 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> No bonus for employees</p>
<p>H: What deductions are required by</p>	<p>Social insurance and tax</p>

law e.g. social insurance? Please state all types:			
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that <b>have</b> been made.	1. social insurance 2. Please describe:
		I2: Please list all deductions that <b>have not</b> been made.	1. tax 2. Please describe: No tax was deducted.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: All working hours were paid sufficiently including meeting or training hours.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: The facility did not define living wage, regular wages were paid above minimum wages standard.		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: N/A		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

	P1: Please give details: Document review and employee interview
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

**6: Working Hours are not Excessive**

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

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

**ETI**

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

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

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresin conjunctionwithrelevantmanagers, 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. All the employees in employee interview stated that they worked overtime on voluntary basis.
2. The factory selected finger printing attendance system to keep all employees working hours and then based on the attendance records to calculate wages.
3. In this audit, auditor randomly selected production records: material delivery records and production records. And crosschecked these records with payroll records and attendance records, and through employee interview, no inconsistency was noted. All payroll records and attendance records required were provided by the factory timely.
4. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week.
5. Based on provided attendance records, employees have at least 1 day off per week.
6. Based on the attendance records provided by the factory, weekly working hours were 40-50 hours and monthly overtime hours were 36 hours.
7. All workers were arranged one shift. Working hours for employees are: 08:00-12:00 and 13:30-17:30. Overtime worked 0-2 hours per day and 0-8 hours on Saturday based on production need; Employees need

to overtime work on Saturday usually. Maximum consecutive working days were 6 days.

**Evidence examined:**

1. Employee interview
2. Management interview
3. Local and national laws
4. Factory policy on working hours
5. Sample pay slips with recorded hours all employees interviewed
6. Employees contracts
7. Attendance records (01 August 2018 to 25 August 2019)

Any other comments: None.

**Non-compliance:**

**1. Description of non-compliance:**

- NC against ETI       NC against Local Law  
 NC against customer code:  
 None observed.

**Local law and/or ETI requirement:**

Not applicable.

**Recommended corrective action:**

Not applicable

**Objective evidence observed:**

Not applicable

**Observation:**

**Description of observation:**

None observed

**Local law or ETI requirement:**

Not applicable

**Comments:**

Not applicable

**Objective evidence observed:**

Not applicable.

**Good Examples observed:**

**Description of Good Example (GE):**

None observed.

**Objective Evidence Observed:**

Not applicable.

<b>Working hours' analysis</b> Please include time e.g. hour/week/month ( <a href="#">Go back to Key information</a> )	
<b>Systems &amp; Processes</b>	
A. What timekeeping systems are used: time card etc.	Describe: Finger printing attendance recording 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: N/A
C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If YES, please complete as appropriate:
	<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other
	If "Other", Please define:
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 <b>yes</b> , please detail hours, %, types of workers affected and frequency Please give details: N/A
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: N/A
	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):  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:
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:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	0 hours per day / 8 hours per week / 36 hours per month in July 2019 (current month) 0 hours per day / 8 hours per week / 36 hours per month in March 2019 (random month) 2 hours per day / 10 hours per week / 36 hours per month in November 2018 (random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___80___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% monthly paid
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<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	

<p>complete the boxes where relevant.</p>	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</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>	<p>N/A, the overtime premium is paid according to law requirement.</p> <p><input type="checkbox"/> <b>Overtime is voluntary</b></p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>No employee had worked for more than 60 hours in a week.</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Q1: If yes, please give details: The factory managers indicated that increased order volumes led to more overtime working.</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

**7: No Discrimination is Practiced**

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

**ETI**

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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. As informed by interviewed employees, most employees spoke highly of the factory owner.
2. No employee was required to do the examination of the hepatitis B virus and HIV.
3. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit.
4. Gender divisions did not exist in the factory; both female and male employees were distributed in all types of work.
5. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
6. There was no evidence of sexual harassment.
7. No any documents show any differential treatment to different workers, constituting discriminating.

**Evidence examined:**

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payroll records
3. Termination records
5. Training records
6. Employee interview

Any other comments: None.

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: __60 % Female__40 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, 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 type="checkbox"/> No evidence of discrimination found

	C1: Please give details: None observed
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**Professional Development**

A: What type of training and development are available for workers?	Employee handbook and factory rules training, EHS training, fire safety training, chemical safety training, machine operating training, benefit and working hours, etc.
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B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details: N/A
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Non-compliance:	
<p><b>1. Description of non-compliance:</b></p> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>
None observed	
<b>Local law and/or ETI requirement:</b> Not applicable	
<b>Recommended corrective action:</b> Not applicable	

Observation:	
<p><b>Description of observation:</b></p> <p>None observed</p> <p><b>Local law or ETI requirement:</b></p> <p>Not applicable</p> <p><b>Comments:</b></p> <p>Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed.</p>	<p><b>Objective Evidence Observed:</b></p> <p>Not applicable.</p>

**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' Auditorsexaminepoliciesandwrittenproceduresinconjuctionwithrelevantmanagers, 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. All employees were recruited by the factory directly. No labor agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
- 2. Some retirees hired to work again, but the facility did not sign written agreement with these retirees hired to work again.
- 3. The factory signed labour contracts with the employees within one month, and all interviewed employees stated that they kept a copy of labour contracts by themselves.
- 4. All employees received pay slip when they were paid.

**Evidence examined:**

- 1. The hiring and termination practices
- 2. Personal files and labor contracts
- 3. Payroll records
- 4. Employee interview

Any other comments: None

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:                  None observed.</p> <p><b>Local law and/or ETI requirement:</b>                  Not applicable.</p> <p><b>Recommended corrective action:</b>                  Not applicable.</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable.</p>
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Observation:	
<p><b>Description of observation:</b>                  None observed</p> <p><b>Local law or ETI requirement:</b>                  Not applicable</p> <p><b>Comments:</b>                  Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed.</p>	<p><b>Objective Evidence Observed:</b></p> <p>Not applicable.</p>

### Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category 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</p> <p>B1: If yes, please describe details and specific category of workers affected:</p>

<p>C: If yes, check all that apply:</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:
<p>D: If any checked, give details:</p>	N/A

<b>Migrant Workers:</b> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>			
<p>A: Type of work undertaken by migrant workers:</p>	N/A. No migrant employees worked in the factory.		
<p>B: Please give details about recruitment agencies for migrant workers:</p>	B1: Total number of (in country recruitment agencies) used: 0  B2: Total number of (outside of local country) recruitment agencies used: 0		
<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>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> <input type="checkbox"/> Yes  <input type="checkbox"/> No                              C1: Please describe finding: N/A. No migrant employees worked in the factory.                         </td> <td style="width: 50%;">                             C2: Observations: N/A. No migrant employees worked in the factory.                         </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A. No migrant employees worked in the factory.	C2: Observations: N/A. No migrant employees worked in the factory.
<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A. No migrant employees worked in the factory.	C2: Observations: N/A. No migrant employees worked in the factory.		
<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No  D1: If yes, number and example of roles: N/A. No migrant employees worked in the factory.		

workers)	
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**NON-EMPLOYEE WORKERS**

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

Agency Workers (if applicable)	
<i>(Workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A. There was no agency employee in the factory.
B: Were agency workers' age/pay/hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No



	D1: Please give details: There was no agency employee in the factory.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No  E1: Please give details: There was no agency employee in the factory.

<b>Contractors:</b> <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details: No contractor on site.
B: If <b>Yes</b> , how many workers supplied by contractors?	N/A. No contractor on site.
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A. No contractor on site.
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	N/A. No contractor on site.

**8A: Sub-Contracting and Home working**

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

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

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, home working and external processing.

*Note to auditor on home working:*

*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' Auditorsexaminepoliciesandwrittenproceduresin conjunctionwithrelevantmanagers, 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. It was verified through document review, factory tour, management interview and employee interview that no subcontractor used.
2. It was verified through document review, factory tour, management interview and employee interview that no home working was used by the facility.
3. There is the mechanism in place for monitoring the sub contract units for agreement with laws or the basic social responsibility code.

**Evidence examined:**

1. Written procedure of subcontracting management system
2. The subcontractor list and the copy business licenses of the subcontracting facility.
3. The social responsibility assessment questionnaire from subcontracting facility.
4. Factory tour
5. Management interview

Details: Nil

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:                  None observed.</p> <p><b>Local law and/or ETI /Additional Elements requirement:</b>                  Not applicable</p> <p><b>Recommended corrective action:</b>                  Not applicable.</p>	<p><b>Objective evidence observed:</b>                  Not applicable.</p>
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Observation:	
<p><b>Description of observation:</b>                  None observed</p> <p><b>Local law or ETI/Additional elements requirement:</b>                  Not applicable</p> <p><b>Comments:</b>                  Not applicable</p>	<p><b>Objective evidence observed:</b>                  Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):                  None observed.</p>	<p><b>Objective Evidence Observed:</b>                  Not applicable</p>

<p><b>Summary of sub-contracting – if applicable</b>  <input checked="" type="checkbox"/> Not Applicable please x</p>
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<p><b>Summary of home working – if applicable</b>  <input checked="" type="checkbox"/> Not Applicable please x</p>
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**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&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please describe:                  Suggestion box, hotline, worker representatives</p>
<p>B: If <b>yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Yes, all interviewed employees indicated they could communicate management through suggestion box and worker representatives.</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>Suggestion box, hotline, worker representatives</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other                  Details: Yes, all interviewed employees indicated they could communicate management through suggestion box and worker representatives.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If yes, please give details: NA</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                  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                  If No please explain: NA</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  If no please give details: NA</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details: NA
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**Current Systems and Evidence Examined**

*To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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 the documentation, the factory management had established a disciplinary procedure for employees 'misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure
2. As per management interview, document review and employee interview, there was a policy on Harsh Treatment.
3. There is an internal process for grievance, which is an anonymous email address, where employees can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.

**Evidence examined:**

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation
3. Training records
4. Employee interview

Any other comments: None.

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code                      None observed</p> <p><b>Local law and/or ETI requirement:</b>                      Not applicable</p> <p><b>Recommended corrective action:</b>                      Not applicable</p>	<p><b>Objective evidence observed:</b>                      Not applicable</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p>	<p><b>Objective evidence observed:</b>                      Not applicable</p>

<p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Comments:</b> Not applicable</p>	
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Good Examples observed:	
Description of Good Example (GE):	Objective Observed: Evidence
None observed	Not applicable.

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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. Per document review, facility management representation and employee interview, all employees had the proper legal rights to work in this region. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
2. No agency staff or foreign employee was used by the factory.

**Evidence examined:**

1. Hiring procedure
2. Personnel files
3. Employee handbook
4. Employee interview

Any other comments: None

**Non-compliance:**

**1. Description of non-compliance:**

- NC against ETI/Additional Elements       NC against Local Law  
 NC against customer code  
 None observed

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

Not applicable

**Recommended corrective action:**

Not applicable

**Objective evidence observed:**

Not applicable

**Observation:**

<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional Elements requirement:</b> Not applicable</p> <p><b>Comments:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>
---	---

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



**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 non compliance 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' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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 meets local law requirements regarding environment.
2. The General Manager was appointed responsible for environmental issues.
3. The air emission discharged by the production process was monitored regularly
4. The hazardous wastes were collected or transferred to the qualified unit as legal requirement.
5. The factory established the environmental protection policy.
6. The factory had provided the environment impact assessment report and obtained environmental impact assessment approval and acceptance approval,
7. The factory conducted the training for all employees on the avoidance of environmental impact.

**Evidence examined:**

1. Environmental training records and EIA document
2. The waste gas monitoring report
- 3 The contract, duplicated form for transferring hazardous waste and qualification of hazardous waste

disposal unit  
 2. Employee and management interview  
 3. Factory tour

Any other comments: None

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements       NC against Local Law  
 NC against customer code  
 None observed

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

Not applicable

**Recommended corrective action:**

Not applicable

**Objective evidence observed:**

Not applicable

**Observation:**

**Description of observation:**

None observed

**Local law or ETI/Additional elements requirements:**

NA

**Comments:**

NA

**Objective evidence observed:**

NA

**Good examples observed:**

**Description of Good Example (GE):**

None observed

**Objective Evidence Observed:**

N/A

<b>Environmental Analysis</b> <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):	Ms. Huaying Xiong / HR 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 risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks. Related internal risk assessment records were provided for review and the latest assessment was conducted in March 2019.
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:
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. The environmental policy was posted on notice board for employees review.
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: Factory's businesses shall make continuous improvements in their environmental performance.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), and Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: 1. Environmental Impact Report 2. Environmental Project Completion Acceptance 3. Pollutant Discharge Permit
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 hazardous chemicals control procedure was established.
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 set up a system for managing client's requirements.
K: Facility has reduction targets in place for	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	K1: Please give details: There were reduction targets in place for environmental aspects. For example, water consumption and electric consumption should be less than last year.
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 waste recycling procedure was established in the facility.
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 set up a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows ETI requirement.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory checked their business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility.

**Usage/Discharge analysis**

Criteria	Year 2018	Year 2019 (Jan. – Jul.)
Electricity Usage: <i>Kw/hrs</i>	757,000 Kw/hrs	468,000 Kw/hrs
Renewable Energy Usage: <i>Kw/hrs</i>	Nil	Nil
Gas Usage: <i>Kw/hrs</i>	Nil	Nil
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 <b>Yes</b> , 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>(m<sup>3</sup>)</i>	4,100 m <sup>3</sup>	2,100 m <sup>3</sup>
Water Discharged: <i>Please list all receiving waters/recipients.</i>	Rain: 1,300 m <sup>3</sup>	Rain: 700 m <sup>3</sup>
Water Volume Discharged: <i>(m<sup>3</sup>)</i>	4,100 m <sup>3</sup>	2,100 m <sup>3</sup>
Water Volume Recycled: <i>(m<sup>3</sup>)</i>	1,500 m <sup>3</sup>	800 m <sup>3</sup>

Total waste Produced <i>(please state units)</i>	120 tons	65 tons
Total hazardous waste Produced: <i>(please state units)</i>	1.3 tons	0.7 tons
Waste to Recycling: <i>(please state units)</i>	40 tons	21 tons
Waste to Landfill: <i>(please state units)</i>	No data was provided by the factory.	No data was provided by the factory.
Waste to other: <i>(please give details and state units)</i>	No data was provided by the factory.	No data was provided by the factory.
Total Product Produced <i>(please state units)</i>	No data was provided by the factory.	No data was provided by the factory.

**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 staffs 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' Auditorsexaminepoliciesandwrittenproceduresinconjunctionwithrelevantmanagers, 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 set up the policy of no bribery, corruption, or any type of fraudulent Business Practice.
2. There was a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
3. HR Manager was appointed to responsible for implementing standards concerning Business Ethics.
4. The factory has provided training of Business Ethics to 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.
5. The factory has communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to their business partners.

**Evidence examined:**

1. The Business Ethics procedure and employee handbook
2. Training records
3. Declarations from contractors and employees
3. Management and employee interview

Any other comments: None.

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements  
 NC against customer code  
 None observed.

NC against Local

**Objective evidence**  
**observed:**

N/A

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

N/A

**Recommended corrective action:**

N/A

**Observation**

**Description of observation:**

None observed

**Objective evidence**  
**observed:**

N/A

**Local law or ETI/Additional elements requirement:**

N/A

**Comments:**

N/A

**Good examples observed:**

**Description of Good Example (GE):**

None observed

**Objective Evidence**  
**Observed:**

N/A

A: Does the facility has 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 factory has communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to their entire business partner.

<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details: Relevant employees had signed on the training records.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details: The policy would be updated once per year.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>D1: Please give details: The factory required third parties including suppliers to complete their own business ethics training.</p>



## 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

### NC photos:













		
<p>NC: No belt guard</p>	<p>NC: No finger protective device</p>	<p>NC: No mask</p>

### General photos:

		
<p>Factory gate</p>	<p>Factory name</p>	<p>Production building</p>

		
<p>Dormitory building</p>	<p>Dormitory room</p>	<p>Canteen</p>
		
<p>Kitchen</p>	<p>Fire alarm</p>	<p>Evacuation plan</p>
		
<p>Fire extinguishers</p>	<p>Fire hydrant</p>	<p>Drinkable water</p>
		
<p>Toilets</p>	<p>Suggestion box</p>	<p>Warning signs</p>



		
<p>Chemical storage</p>	<p>First aid kit</p>	<p>Emergency lights &amp; exit sign</p>
		
<p>Electricity box</p>	<p>Attendance recording system</p>	<p>Raw materials</p>
		
<p>Finished goods</p>	<p>Cutting</p>	<p>Sewing</p>
		
<p>High-frequency</p>	<p>Handwork</p>	<p>Packing</p>



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

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

**[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

**[Click here for Supplier \(B\) members:](#)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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