



# Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 408718746	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 408749969
Business name (Company name):	GUANGZHOU TEWSN SPORTS CO., LTD		
Site name:	GUANGZHOU TEWSN SPORTS CO., LTD 广州市途士恩体育用品有限公司		
Site address: <i>(Please include full address)</i>	F4 No. 3 Building Baizhong Creative Park 240 Xinqiao Village Shilian Road Panyu District Guangzhou 广州市番禺区大龙街市莲路新桥村段 240 号 (3 号厂房) 401	Country:	China
Site contact and job title:	Ms. Xu Hai Hua (CEO)		
Site phone:	+86 020 3660 00020 / 15999977221	Site e-mail:	joyce@tewsn.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	09 – 10 January 2020		

<b>Audit Company Name &amp; Logo:</b> <b>Benchmarks Co., Ltd.</b> <b>(APSCA Audit Firm No.: 11600027)</b> 	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  GUANGZHOU TEWSN SPORTS CO., LTD
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Julia Zhu APSCA number: RA21700007

Lead auditor APSCA status: In Good Standing

Team auditor: Nil APSCA number:

Interviewers: Julia Zhu APSCA number: RA21700007

Report writer: Julia Zhu

Report reviewer: Sasha Deng

Date of declaration: 10 January 2020

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

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) 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	Nil
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	NC: 1. One bottle of lubricants used in cutting section was found without label. 2. No prevention of leakage of chemical.
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5. <a href="#">Living Wages and Benefits</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Insufficient social insurance participated.
6. <a href="#">Working Hours</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Monthly overtime hours exceeded the legal requirement (maximum 36 overtime hours per month).
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil

8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

General observations and summary of the site:

Site summary:

- This was an initial audit conducted by Benchmarks Co., Ltd. One auditor assessed the factory operations against the ETI Base Code and local legislations on a sampling basis in 1.5 days.
- At 9:00 of the audit date, auditor entered the factory then held an opening meeting; the factory management and worker representative were present in the opening meeting. They stated that they would be cooperative with this audit.
- The factory provided the payroll records and attendance records of at least 12 months for review.
- 10 workers were interviewed including 3 males and 7 female employees, 4 workers in 1 group and 6 workers were interviewed individually.
- The products manufactured at this site were cycling wear.
- Overall responsibility for meeting the standards was taken by the personnel department manager.
- There were total 39 employees on site (24 were females, 15 were males, all were permanent). All migrant workers came from other provinces in China, e.g. Jiangxi and Guangxi provinces.
- All employees were hired by the factory directly. The factory had established the effective employment policies and programs.
- No child labour, forced labour, discrimination, harsh or inhumane treatment was identified during the audit. The youngest worker on site was 22 years old.
- The factory signed labour contracts with all employees on the first day of employment and kept one copy of labour contract in the factory and issued one copy to each worker.
- No labour agency was used to hire workers.
- No sub-contractor or home worker was used by the factory.
- The working hour policy, labour contracts, etc. indicated that the regular working hours in the factory were 8 hours per day and 5 days per week.



- The working hours in the factory were recorded by electric attendance system.
- According to workers interview, overtime was voluntary.
- Wages for workers were calculated on hourly rated basis and paid around 30th of each month by cash.
- The local minimum wage was RMB2100 (i.e. RMB12.07 per hour) since 1 Jul 2018.
- The overtime wages were paid at 150% and 200% of workers' normal wage rate as legally required.
- Maximum overtime hours in sample was respectively:
  - 92 hours/month in March 2019.
  - 86 hours/month in July 2019.
  - 92 hours/month in November 2019.

*\*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:	GUANGZHOU TEWSN SPORTS CO., LTD							
B: Site name:	GUANGZHOU TEWSN SPORTS CO., LTD 广州市途士恩体育用品有限公司							
C: GPS location: (If available)	GPS Address:	Latitude: N 22°57'13" Longitude: E 113°25'0"						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License number: 91440101MA59GN8G67 Valid 8 December 2016 to long term.							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Cycling wear							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The factory was established at F4 No. 3 Building Baizhong Creative Park 240 Xinqiao Village Shilian Road Panyu District Guangzhou, Guangdong Province, China.</p> <p>A total of 39 employees were currently working in the factory, which included 33 production employees and 6 non-production employees. The age ranged from 22 to 60 years old. There were around 84% migrant employees in the factory.</p> <p>All employees working in one shift which was from 08:00-17:30 with 1.5 hours for lunch break from 12:00 to 13:30, overtime would start from 18:30 to 20:30 if needed. Electrical attendance recording system was used to record employees' attendance. As per the time records of employees, they scanned their fingerprints to record the attendance when they went in and out of the factory.</p> <p>Workers' wages were paid based on hourly rate. Workers were paid by cash within 30 days after the work period.</p> <p>As per the lease agreement and in view of the facility, the main construction used by the factory was only 4/F of a 5-storey production building. The lease agreement was provided for review during this audit. The final acceptance of construction and construction fire prevention inspection certificate were available.</p> <table border="1" data-bbox="655 1856 1485 1989"> <thead> <tr> <th>Production Building:</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>1 block of 5-storey</td> <td></td> <td></td> </tr> </tbody> </table>		Production Building:	Description	Remark, if any	1 block of 5-storey		
Production Building:	Description	Remark, if any						
1 block of 5-storey								



	Floor 1	Nil	used by other factory “广州好安芯智能设备有限公司”
	Floor 2	Nil	used by other factory “广州奥雷互联网科技有限公司”
	Floor 3	Nil	used by other factory “广州戈芬电子科技有限公司”
	Floor 4	Die cutting, Digital print, Heat transfer, Sewing, Handwork, Packing, warehouse, Office	
	Floor 5	Nil	used by other factory “广州特益孚特实业有限公司”
	Is this a shared building?	Yes	
	<p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: No obvious structural crack was observed during the audit.</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details: The factory provided the Building Structure Safety inspection report for review, which showed that the structure of the production building was in safety condition.</p>		
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		
H: Month(s) of peak season: (if applicable)	No peak season		
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	The products manufactured in this unit were cycling wear. The main production processes included Die cutting, Digital print, Heat transfer, Sewing, Handwork, Packing.		

	The main equipment included: Die cutting machine 1 set, Digital printer 5 sets, heat transfer machine 2 sets, sewing machine 40 sets, ironing machine 3 sets.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details No dormitory was provided.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 17:30	Day 2 Time in: 08:00 Day 2 Time out: 12:00	Day 3 Time in: Nil Day 3 Time out: Nil
B: Number of auditor days used:	1.5MD (1 auditor in 1.5 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR <i>(Name and job title)</i>	Ms. Huang Yan (Sales Manager)		
H: Is further information available <i>(If yes, please contact audit company for details)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was 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	2	0	0	13	0	0	0	15
Worker numbers – female	4	0	0	20	0	0	0	24
Total	6	0	0	33	0	0	0	39
Number of Workers interviewed – male	1	0	0	2	0	0	0	3
Number of Workers interviewed – female	1	0	0	6	0	0	0	7
Total – interviewed sample size	2	0	0	8	0	0	0	10

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



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: (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)	1 group of 4 (total 4 workers)
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	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 no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	All workers interviewed had a positive attitude to the management and the site.
I: What did the workers like the most about working at this site?	Working environment and colleagues' relationship.
J: Any additional comment(s) regarding interviews:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
K: Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.

L. Is there any worker survey information available?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:
M: Attitude of workers: <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>
10 employees were selected for the interview. All the interviewees were favourable with the management and working condition, and no negative information was raised.
N: Attitude of worker's committee/union reps: <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>
The worker representative was favourable with the management and working condition, and no negative information was raised.
O: Attitude of managers: <i>(Include attitude to audit, and audit process. Both positive and negative information should be included)</i>
The factory management was found to be cooperative throughout the audit.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

1. The site published a human rights statement, and posted in notice board.
2. Ms. Huang Yan (Sales Manager) was responsible for implementing standards concerning Human Rights.
3. There was formal training given to all employees and their suppliers on the need to protect human rights.
4. The terms and conditions for employees were stated in the employee handbook and all workers were trained in the grievance procedure.

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

##### Details:

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

##### Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  A1: Please give details: The factory published a human rights statement.</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. Huang Yan                  Job title: Sales Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please give details:                  The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  E1: Please give details: All employee information and personnel files were kept locked away in the human resources office and only viewed by the HR manager and his team.</p>

Findings		
<p><b>Finding: Observation</b> <input type="checkbox"/>      <b>Company NC</b> <input type="checkbox"/></p> <p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional elements / customer specific requirement:</b> N/A</p> <p><b>Comments:</b> N/A</p>		<p><b>Objective evidence observed:</b> N/A</p>

Good examples observed:	
<p><b>Description of Good Example (GE):</b> None observed</p>	<p><b>Objective Evidence Observed:</b> N/A</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)	A1: Last year: 2 %	A2: This year 3 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	1 %	
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	C1: Last year: 0 %	C2: This year 0 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Management kept records of all accidents.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0 % workers	I2: 12 months 0 % workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0 % workers	J2: 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' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:**

1. The factory had well set up a proper management system to implement social compliance requirements. Ms. Huang Yan (Sales Manager) was designated as senior management representative, who was in charge of implementing and updating all social compliance policy and procedure.
2. There was an internal audit team for quality who in addition to take on the role for internal audit of the social standards of the factory. The internal audit and management review records were provided.
3. Implementation of any necessary changes was then given to the individual department heads after agreement with the factory management, this system was fully effective.
4. There was no certification at the site, such as ISO 9000.

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

Details:

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

Any other comments:

Nil

**Management Systems:**

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

- Yes
- No

A1: Please give details: No any fine for any non-compliance was noted from the related government inspection.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

- Yes
- No



	B1: Please give details: Policies and procedures on "No force labour, no child labour, no discrimination and prohibition of harassment & abuse" were established.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established policies and procedures which ensured the site met in particular discrimination, child labour prohibition and general human rights standards.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The training records were available in the factory.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: According to the interview with workers, all of them was aware of the ETI base code.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: There was no certification at the site.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Human Resources was responsible by Ms. Huang Wen Yi (HR Supervisor).
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Implementation of the Code was responsible by Ms. Huang Yan (Sales Manager).
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The company's policies stipulate that all employees' information was kept in confidential.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All worker information was kept locked in files in the personnel office.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had established the risk assessment report on the H&S issues.

<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      L1 Please give details: Any problems found at internal audit were brought to the attention of senior management and corrections made.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      M1: Please give details: The site sent a copy of the ETI code and any relevant customer codes to its own suppliers.</p>
<p><b>Land rights</b></p>	
<p>N: Does the site have all required land rights licenses and permissions (<i>see SMETA Measurement Criteria</i>)?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      N1: Please give details: The copy of land rights licenses was provided for review.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      O1: Please give details: The factory recognized and applied national laws and practices relating to land title.</p>
<p>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</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                      P1: If yes, how does the company obtain FPIC:</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                      Q1: Please give details: No such finding was found.</p>
<p>R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                      R1: Please give details: N/A</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                      S1: Please give details: No illegal appropriation of land for facility building or expansion of footprint.</p>

Non-compliance:	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p><b>Local law and/or ETI requirement:</b></p> <p>N/A</p> <p><b>Recommended corrective action:</b></p> <p>N/A</p>	<p><b>Objective evidence observed:</b></p> <p><i>(where relevant please add photo numbers)</i></p> <p>N/A</p>

Observation:	
<p><b>Description of observation:</b></p> <p>None observed</p> <p><b>Local law or ETI requirement:</b></p> <p>N/A</p> <p><b>Comments:</b></p> <p>N/A</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b></p> <p>None observed</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

**1: Freely Chosen Employment**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had a policy which prohibits forced labour and this was available for review.
2. There was a non-formalised application procedure which stated that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook - given to all workers on joining, stated that workers within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
5. Contract for security guards stated that they must not prevent workers from leaving the premises outside of working hours and where they were conducting searches that this was at the request of management, was done on a sample basis and was performed discretely and without significant delay to workers leaving at the end of shift.
6. The above was confirmed in management and worker interview.

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

Details:

1. Social accountability policy and manual
2. Personnel files and labour contracts
3. Resignation records
4. Interview with management and workers
5. Site tour

Any other comments:

Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- Yes
- No

A1: If yes, please give details and category of workers affected:

B: Is there any evidence of a loan scheme in operation

- Yes
- No

	B1: 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 C1: 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 D1: Please describe finding: N/A
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Factory would regularly carry out social compliance assessment for all their suppliers.

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>                      N/A</p> <p><b>Recommended corrective action:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>                      N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      None observed</p>	<p><b>Objective evidence observed:</b>                      N/A</p>



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

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

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

**ETI**

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

**Current Systems and Evidence Examined**

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

**Current systems:**

- 1. The factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee.
- 2. There was no union but a worker committee in the factory.
- 3. The worker committee was made up of 2 worker representatives who were democratically elected by the production workers. The worker representative normally would have a meeting on a trimonthly basis to summarize the concerns and complaints from production workers.
- 4. All interviewed workers stated that they could report their concerns to the worker representatives or directly to the supervisor or upper management.
- 5. In addition, workers could also response their concerns through suggestion box. And all complaints or suggestions would be tackled within a short time.

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

Details:

- 1. The policy on freedom of association and right to collective bargaining.
- 2. Social accountability manual included worker committee selection program and the responsibility of the worker representative.
- 3. Interview with workers
- 4. Interview with management

Any other comments:

Nil

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

- Union (name)
- Worker Committee
- Other (specify)
- None

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? <i>(Other than union/worker committee e.g. H&amp;S, sexual harassment)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Workers could raise their concerns through worker representative, telephone, suggestion box, directly communicating with the factory management.  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There was a room available for the worker committee to meet and the members were allowed 2 hours per month for a meeting.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	All workers could directly report their concerns via the worker representative, suggestion box, or directly report to their supervisors.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 29 March 2017
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 2	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	The committee had met every 3 months. There were meeting minutes and the employee committee interview confirmed that they had met with management every 3 months. Meeting minutes were communicated to all employees via the public board.	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A, no CBA was established in this factory. Workers were freely to attend the employee representative/ management representative meetings.	
If <b>Yes</b> , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA N/A	M2: ____% workers covered by worker rep CBA N/A
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No 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>                      N/A</p> <p><b>Recommended corrective action:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>                      N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE):                      None observed</p>	<p><b>Objective evidence observed:</b>                      N/A</p>

### 3: Working Conditions are Safe and Hygienic

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#### ETI

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

#### Current Systems and Evidence Examined

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

#### Current systems:

##### 1. General Health and Safety management

- Health & Safety policy was established in the factory and the factory manager was familiar with it.
- Mr. Xie Xiao Ming (Safety Manager) was appointed to be responsible for the facility's safety and health conditions.
- Purified water was provided free of charge to workers, the drinking water test report was up-to-date and kept in the factory and the test result was qualified.
- Lavatory facilities were accessible and adequate in number, private and segregated for men and women.
- Ventilation, temperature and lighting were adequate for the production processes.
- All workers were properly wearing PPE (Personal Protective Equipment) in the production workshop.
- Minutes of meetings showed that there were trimonthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.

##### 2. Fire Safety

- There were 2 exits from each work area and these were clearly marked.
- Fire fighting equipment were adequate and checks were up-to-date.
- Evacuation diagrams were posted in all areas and understood by all workers interviewed.
- Fire drills were organised and recorded every 6 months for production unit.
- Training had been given to all employees.

##### 3. Electrical safety

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

##### 4. Medical services

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

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

Details:

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Government licenses
6. Special equipment inspection reports and qualified operator certificates
7. Fire equipment maintenance records
8. Fire drill and evacuation records
9. Building structure safety certificates
10. Fire safety certificates
11. First aider certificates
12. Checks on fire equipment
13. Accident reports
14. Electrician certificates
15. Potable water testing report
16. Interview with H&S manager and committee members
17. Interview with workers
18. Site tour
19. Etc.

Any other comments:

Nil

<p>A: Does the facility have general 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                  A1: Please give details: The site had a H&amp;S manager and a H&amp;S committee who met regularly.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  B1: Please give details: Based on the documents review, it was noted that the health and safety procedure and policy were set up for implementation health and safety compliance in the facility.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  C1: Please give details: N/A, there was no any structural addition was found during audit.</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                  D1: Please give details: Visitor's badges had H&amp;S information on them and the visitor was requested to read it.</p>
<p>E: Is a medical room or medical facility provided for workers?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  E1: Please give details: N/A. There was no medical room.</p>

<p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  F1: Please give details: There were 2 first aiders in the factory.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  G1: Please give details: N/A. No transport was provided.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  H1: Please give details: No dormitory was provided for workers.</p>
<p>I: Are H&amp;S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  I1: Please give details: The factory had carried out the health and safety risk assessment on the areas such as evaluating the arrangements for workers doing overtime.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  J1: Please give details: The site did not discharge pollution directly.</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                  K1: Please give details: The site had a copy of the banned substances list from its customer and was meeting those requirements.</p>

<b>Non-compliance:</b>	
<p><b>1. 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 one bottle of lubricants used in cutting section was found without label.</p> <p><b>Local law and/or ETI requirement</b>                      In accordance with ETI code 3.1, A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19, the unit shall, according to the danger of chemical, identify the containing, transportation, or storing equipment with specific color, label or sticker.</p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>                      Factory tour (please refer to NC photo(1))</p>



<p><b>Recommended corrective action:</b> It is recommended that labels shall be attached for all chemical used for identification.</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:                  No prevention of leakage of chemical.                  During factory tour, it was noted that leakage system (i.e. second containment) were not available in chemical using workshop.</p> <p><b>Local law and/or ETI requirement</b>                  In accordance with Regulation for Safety of Dangerous Chemical article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipment for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, firefighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moisture proof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipment.</p> <p><b>Recommended corrective action:</b>                  Recommended that factory should supervise and train employees to properly wear and use the personal protective equipment. Factory shall develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.</p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>                  Factory tour (please refer to NC photo(2))</p>
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Observation:	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b> N/A</p> <p><b>Recommended corrective action:</b> N/A</p>	<p><b>Objective evidence observed:</b> N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b> None observed</p>	<p><b>Objective Evidence Observed:</b> N/A</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' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:**

- 1. There was a written policy in regard to prohibition of child labour, which stipulated that no worker under 16 years old would be recruited in the factory.
- 2. To prevent hiring child labour, the factory also established age verification mechanism. The HR staffs would authenticate ID card of candidates via physical appearance comparison, questions testing and ID card authentication facility. All these processes ensured no fake ID card was used by potential worker during the hiring process.
- 3. According to review of employees' personal files and employee interview, there was no child labour in the factory.
- 4. Through reviewing employees' personnel files and whole factory tour, there was no employee that was under 22 years.

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

Details:

- 1. The recruitment policy on child labour was reviewed. It stated that the factory would never employ or use any child labour under the age of 16 years old.
- 2. Recruitment procedure
- 3. Latest employee list
- 4. Personnel files of all workers
- 5. Interview with management and workers
- 6. Site tour

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	22 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: % of under 18's at this site (of total workers)	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 type="checkbox"/> No E1: If yes, give details  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>                      N/A</p> <p><b>Recommended corrective action:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>                      N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      None observed</p>	<p><b>Objective Evidence Observed:</b>                      N/A</p>

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All employees' wages were calculated by hourly rate basis by cash before 30th each month for previous month. The pay slip with proper information including workers name, department, wage level, regular working hours, regular work payment, overtime hours, overtime payment, gross wages, deductions, net wages, staff signature etc. was provided to each worker.
2. During this audit, the payroll records from December 2018 to November 2019 (current month) and attendance records from 1 December 2018 to 9 January 2020 (current month) were provided for review. As per review of 10 sampled employees' payrolls and attendance records from March 2019, July 2019 and November 2019 (current month), it was noted that all workers were paid at least RMB12.07 per hour (RMB2100 per month) which were met the legal minimum wage as RMB2100 per month effective from 1 July 2018.
3. Additionally, all sampled workers were properly paid 150% and 200% of their normal wages for all workdays and weekend overtime hours respectively as legally required and no statutory holidays overtime hours were noted. All workers were paid when they were enjoying statutory holidays.
4. Paid annual leave benefit was also entitled to the employees who worked more than one year in the factory according to legal law.
5. Insufficient social insurance participated. Through document review, it was noted that not all employees had participated in all 5 types of social insurance. There were only 11 out of 39 employees had participated in basic retirement insurance, unemployment insurance, disability caused by work-related injury insurance, medical insurance and maternity insurance.

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

Details:

1. Wages and benefits policy and procedure
2. Local and national laws
3. Local legal min wage documents
4. Overtime premiums records
5. Labour contracts for all workers
6. Resignation records
7. Production records
8. Social security insurance payment receipts

9. Worker interview and management interview

Any other comments:

Nil

**Non-compliance:**

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

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

Insufficient social insurance participated.

Through document review, it was noted that not all employees had participated in all 5 types of social insurance. There were only 11 out of 39 employees had participated in basic retirement insurance, unemployment insurance, disability caused by work-related injury insurance, medical insurance and maternity insurance.

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

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

In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

**Recommended corrective action:**

It is recommended that the facility shall ensure all employees participate in the all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Document review and worker interview

<b>Observation:</b>	
<b>Description of observation:</b> None observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> N/A	<b>Objective evidence observed:</b> N/A

<b>Good Examples observed:</b>	
<b>Description of Good Example (GE):</b> None observed	<b>Objective Evidence Observed:</b> N/A

### Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: Maximum 2 hours per day, 20 hours per week and 92 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB2100/month equal to RMB12.07/hour since 1 July 2018	C1: Minimum RMB12.07/hour equal to RMB2100/month	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150%, 200% and 300% of regular rate for regular overtime hours, weekend overtime hours and statutory holiday overtime hours respectively.	D1: 150% and 200% of regular rate for regular overtime hours and weekend overtime hours respectively. No overtime work in statutory holidays.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Wages analysis:</b> <i>(Click here to return to Key Information)</i>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If <b>No</b> , why not?	N/A		
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Time records and payrolls of 10 sampled employees from March 2019, July 2019 and November 2019 were reviewed in this audit.		
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If <b>Yes</b> , please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If <b>No</b> , please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> Minimum RMB12.07/hour, RMB482.8/week, RMB2100/month	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: 100% of workforce earning minimum wage F3: ___% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>  Nil		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and personal income tax		
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. Personal income tax  Please describe: Social insurance and personal income tax were deducted from wages and recorded in payroll records by factory.



		I2: Please list all deductions that <b>have not</b> been made.	1. Nil 2. Nil  Please describe: No any deductions that have not been made.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: All working hours in time records were paid rightly.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: There was an annual review when local wage rates were examined.		
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: Through factory rules review, payroll records review and employee interview, it was confirmed that equal rates were being paid for equal work.		
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash		



	<input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:
--	--

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All workers were used fingerprint scanning system to record their working hours.
2. The payroll records from December 2018 to November 2019 (current month) and attendance records from 1 December 2018 to 9 January 2020 were provided for review.
3. The working hour policy, labour contracts and etc. indicated that the regular working hours in the factory was 8 hours per day and 5 days per week.
4. Based on factory rule and workers interview, the employees worked for 5 days a week in 1 shift. The normal working hours were from 8:00 to 17:30 with 1.5 hours for lunch break from 12:00 to 13:30.
5. All the employees in worker interview stated that they worked overtime on voluntary basis.
6. No collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce.
7. Total monthly overtime was above 36 hours per month (max in sample 92 hours/month).

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

Details:

1. Factory policy on working hours
2. Local and national laws
3. Workers contracts
4. Attendance records
5. Production and quality records to cross check hours
6. Management interview and worker interview

Any other comments:

Nil

**Non-compliance:**

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

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

The monthly overtime hours exceeded the legal requirement. Per document review, interview with management and workers, it was noted that sampled workers worked in excess of the statutory overtime hour limits. According to the 10 sets of sampling attendance records of March 2019, July 2019 and November 2019 yielded the following:

- (1) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 92 hours) in March 2019.
- (2) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 86 hours) in July 2019.
- (3) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 92 hours) in November 2019.

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

In accordance with ETI 6.1 Working hours must comply with national laws.

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

**Recommended corrective action:**

It is recommended that the facility should ensure the overtime of workers be in accordance with the legal requirements.

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
Document review and worker interview

**Observation:**

**Description of observation:**

None observed

**Local law or ETI requirement:**

**Objective evidence observed:**

N/A

N/A	
<b>Comments:</b> N/A	

Good Examples observed:	
Description of Good Example (GE): None observed	<b>Objective Evidence Observed:</b> N/A

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

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days	
<b>Standard/Contracted Hours worked</b>		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		N/A
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Maximum overtime 2 hours/day, 20 hours/week, 92 hours/month in March 2019 Maximum overtime 2 hours/day, 20 hours/week, 86 hours/month in July 2019. Maximum overtime 2 hours/day, 20 hours/week, 92 hours/month in November 2019.	
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: Confirmed by worker interview
<b>Overtime Premiums</b>		
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	M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages: 150% and 200% of regular rate for regular overtime hours and weekend overtime hours respectively.

	requirement to OT premium	
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>N1: If yes, please describe % of workers &amp; frequency:</i> 100% workers were paid at a premium monthly.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay ( <i>May be standard wages above minimum legal wage, with no/low overtime premium</i> ) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> <b>Overtime is voluntary</b> <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. No employee was required to do the examination of the hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment.
3. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit, Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
4. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
5. There was no evidence of sexual harassment.

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

Details:

1. Anti-discrimination policy and social accountability manual
2. The hiring and termination procedure, leave application records and employee handbook
3. Attendance records
4. Training records
5. Termination records
6. Interview with management and workers

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	A1: Male: <u>  38  </u> % A2: Female <u>  62  </u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	1
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found

	C1: Please give details: N/A
--	---------------------------------

Professional Development	
A: What type of training and development are available for workers?	All workers were given H&S training.
B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details:

Non-compliance:	
<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> N/A  <b>Recommended corrective action:</b> N/A	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i> N/A

Observation:	
<b>Description of observation:</b> None observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> N/A	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None observed	<b>Objective Evidence Observed:</b> N/A



**8: Regular Employment Is Provided**

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

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**ETI**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All workers were recruited by the factory directly and had properly signed contracts with the factory.
2. No labour agency was used to hire workers.
3. No temporary worker or home worker was identified by auditor.
4. Additionally, all of the workers were properly provided with one copy of the labour contract for his or her reference.

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

Details:

1. Recruitment policy
2. The hiring and termination practices
3. Personal files and labour contracts
4. Interview with management interview and workers

Any other comments:

Nil

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>                      N/A</p> <p><b>Recommended corrective action:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      (where relevant please add photo numbers)                      N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      None observed</p>	<p><b>Objective Evidence Observed:</b>                      N/A</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(ies) of workers affected:</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) 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>	Migrant workers were involved in all types of work 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                         </td> <td style="width: 50%;">                             C2: Observations:                              No deduction was made from migrant workers.                         </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations: No deduction was made from migrant workers.
<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations: No deduction was made from migrant workers.		
<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 workers)</i></p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  D1: If yes, number and example of roles:  There were 5 migrant workers in skilled and technical role.		

### NON-EMPLOYEE WORKERS

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

<b>Agency Workers (if applicable)</b> <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  D1: Please give details:

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

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

**8A: Sub-Contracting and Homeworking**

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. A site tour showed that all production processes were present in the unit.
2. No sub-contracting or home-working was used in the facility.
3. As per management interview and factory tour, there was not homeworker used by the factory.

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

Details:

1. List of approval supplier
2. Production records
3. Interview with management and workers
4. Site tour

**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:**

N/A

**Recommended corrective action:**

N/A

**Objective evidence observed:**

*(where relevant please add photo numbers)*

N/A

**Observation:**

<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional elements requirement:</b> N/A</p> <p><b>Comments:</b> N/A</p>	<p><b>Objective evidence observed:</b> N/A</p>
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<b>Good Examples observed:</b>	
<p>Description of Good Example (GE): None observed</p>	<p><b>Objective Evidence Observed:</b> N/A</p>

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

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

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



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

**ETI**

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.  
 Additional elements:  
 9.2 companies should provide access to a confidential grievance mechanism for all workers

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  A1: Please give details: Workers could report to the local labour force bureau if violations happened.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Workers were aware of the channel and they could report violations to the local labour force bureau freely.</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>There was an internal process for grievance, which was an anonymous email address, where workers could report any grievances (harassment, bullying, discrimination etc.)</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other                  D1: Please give details:                  Employees could raise their grievances directly to supervisors, worker representatives and send emails to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  G1: If no, please explain</p>

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. According to the documentation, the facility 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 was an internal process for grievance, which was an anonymous suggestion box, where employees can report any grievances (harassment, bullying and discrimination), 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 – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation
3. Disciplinary action records
4. Grievance records
5. Training records
6. Interview with management and workers

Any other comments:

Nil

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>                      N/A</p> <p><b>Recommended corrective action:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      (where relevant please add photo numbers)                      N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None observed</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      N/A</p>	<p><b>Objective evidence observed:</b>                      N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      None observed</p>	<p><b>Objective Evidence Observed:</b>                      N/A</p>

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. Per document review, facility management representation and employee interview, all employees in the facility were Chinese.
2. All employees had the proper legal rights to work in this region.
3. The youngest age was 22 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
4. No agency staff or foreign employee was used by the facility.

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

Details:

1. Hiring procedure
2. Worker handbook
3. Personal files and contracts
4. Interview with management and workers

Any other comments:

Nil

**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:**

N/A

**Recommended corrective action:**

N/A

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
 N/A

**Observation:**

<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional Elements requirement:</b> N/A</p> <p><b>Comments:</b> N/A</p>	<p><b>Objective evidence observed:</b> N/A</p>
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<p style="text-align: center;"><b>Good examples observed:</b></p>	
<p><b>Description of Good Example (GE):</b> None observed</p>	<p><b>Objective Evidence Observed:</b> N/A</p>

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

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

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

**B.4. Compliance Requirements**

- 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
- 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
- 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements
- 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).
- 10B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance.

**B4. Guidance for Observations**

- 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. Mr. Xie Xiao Ming (Safety Manager) was responsible for the environment management system in the facility.
2. The facility management maintained all legally required environmental documents in place which proved that the production of the facility was in compliance with the related environmental regulations.
3. All of the legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit.
4. The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law.

5. The factory had signed contract with the qualified collector and all hazardous waste generated by the factory would be submitted to the collector.
6. Based on management and employees' interview, they were trained on environmental protection.

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

Details:

1. The relevant policy on prevention of environment
2. Environmental impact assessment and approval
3. Pollutant monitoring report
4. Training records
5. Interview with management and workers

Any other comments:

Nil

**Non-compliance:**

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

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

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

N/A

**Recommended corrective action:**

N/A

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
N/A

**Observation:**

**Description of observation:**

None observed

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

N/A

**Comments:**

N/A

**Objective evidence observed:**

N/A

**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):	Mr. Xie Xiao Ming (Safety 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: Site conducted an internal risk assessment on the environmental impact of the site.
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: N/A. There was no such certification in the factory.
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? It was publicly available.
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:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: There was no such certification at the site.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Legal required documents were provided for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The in & out warehouse records were provided for review.
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: This was included in the site's internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:



	Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce costs.	
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: Weights of recycled waste were recorded for continuous improvement targets	
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: Measured to reduce costs	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: N/A. Site did not have sub-contracting agency	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: <u>January 2018 to December 2018</u>	Current Year: Please state period: <u>January 2019 to December 2019</u>
Electricity Usage: <i>Kw/hrs</i>	59,230	64,394
Renewable Energy Usage: <i>Kw/hrs</i>	N/A	N/A
Gas Usage: <i>Kw/hrs</i>	N/A	N/A
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	N/A	N/A
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> <li>From water supply company</li> </ul>	<ul style="list-style-type: none"> <li>From water supply company</li> </ul>
Water Volume Used: <i>(m<sup>3</sup>)</i>	7,320 m <sup>3</sup>	7,040m <sup>3</sup>
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> <li>Municipal sewage</li> </ul>	<ul style="list-style-type: none"> <li>Municipal sewage</li> </ul>
Water Volume Discharged: <i>(m<sup>3</sup>)</i>	763 m <sup>3</sup>	866 m <sup>3</sup>

Water Volume Recycled: <i>(m<sup>3</sup>)</i>	480 m <sup>3</sup>	500 m <sup>3</sup>
Total waste Produced <i>(please state units)</i>	100 tons	120 ton
Total hazardous waste Produced: <i>(please state units)</i>	28 ton	30 ton
Waste to Recycling: <i>(please state units)</i>	5 ton	6 ton
Waste to Landfill: <i>(please state units)</i>	20 ton	20 ton
Waste to other: <i>(please give details and state units)</i>	2 ton	3 ton
Total Product Produced <i>(please state units)</i>	200,000 pieces	240,000 pieces

**10C: Business Ethics – 4-Pillar Audit**

*[\(Click here to return to summary of findings\)](#)  
To be completed for a 4-Pillar SMETA Audit*

**10C. Compliance Requirements**

- 10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
- 10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
- 10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

**10C. Guidance for Observations**

- 10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
- 10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. Mr. Xie Xiao Ming (Safety Manager) was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
2. The factory established a business ethics policy which was communicated to workers through posters and training.
3. The factory had received and read the Business Ethics policy of the auditor/audit company.
4. The Business Ethics policy, worker handbook and training record had provided to auditor for reviewed.

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

Details:

1. Business ethics policy including Bribery and Corruption

- 2. Training records
- 3. Worker handbook and Reports from Anonymous email account
- 4. Worker and management interview

Any other comments:  
Nil

**Non-compliance:**

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

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

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

N/A

**Recommended corrective action:**

N/A

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
N/A

**Observation**

**Description of observation:**

None observed

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

N/A

**Comments:**

N/A

**Objective evidence observed:**

N/A

**Good examples observed:**

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

None observed

**Objective Evidence Observed:**

N/A

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy  <input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details:</p> <p>There was a written policy on the need to avoid bribes and fraudulent practices.</p>
<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:</p> <p>All relevant personnel had been given training of the policy.</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:</p> <p>Examined each year by HR department and adjusted if needed.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>D1: Please give details:</p> <p>No discussion on this topic with 3<sup>rd</sup> parties.</p>

**Other Findings Outside the Scope of the Code**

Nil

**Community Benefits**

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*

Nil










## Appendix 1

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

Not Applicable please x



## Photo Form


		
<p>Production building</p>	<p>Factory name</p>	<p>Evacuation route map</p>
		
<p>Die cutting</p>	<p>Sewing</p>	<p>Digital print</p>
		
<p>Heat transfer</p>	<p>Handwork &amp; Packing</p>	<p>Fire extinguishers</p>



		
<p>Drinking water facility</p>	<p>Attendance recording facility</p>	<p>First aid box</p>

		
<p>Suggestion box</p>	<p>Toilet</p>	<p>Fire alarm &amp; Fire hydrant</p>

		
<p>Emergency exit door</p>	<p>Evacuation indication sign</p>	<p>Warehouse</p>

	<p>End</p>	
<p>NC: (1) one bottle of lubricants used in cutting section was found without label. (2) Leakage system (i.e. second containment) were not available in chemical using workshop.</p>	<p>End</p>	



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

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

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

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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