




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: [REDACTED]	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: [REDACTED]
Business name (Company name):	[REDACTED] CO.,LTD		
Site name:	[REDACTED] Co.,Ltd		
Site address: <i>(Please include full address)</i>	[REDACTED] zhejiang province	Country:	China
Site contact and job title:	[REDACTED] factory manager		
Site phone:	[REDACTED]	Site e-mail:	[REDACTED]
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:			

Audit Company Name & Logo: Eurofins CPA  Consumer Products Assurance	Report Owner (payer): <i>(if paid for by the customer of the site please remove for Sedex upload)</i> [REDACTED] 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)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

To confirm the validity of this report, please visit <https://www.sedex.com/audit-verifier/>

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):

- The factory was very small, occupied by the whole facility is about 1180 square meter, total 7 employees and only 6 employees were present on the audit day. The documents were well classified and well prepared, so the audit was not complete 8 hours.
- As total 7 employees for this factory, and 6 were present on the audit day, so the interview was conducted individually

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

Lead auditor: Lili Cai APSCA number:21704532
Lead auditor APSCA status: activated
Team auditor: N/A APSCA number: N/A
Interviewers: Lili Cai APSCA number:21704532

Report writer: Lili Cai

Report reviewer: Luffor Rahman

Date of declaration:02/09/2021

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	None
0B Management systems and code implementation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC: 1.Training on ethical code was not provided.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	10	0	0	NC: 1.No emergency assembly point. 2.Electricity switch box was blocked. 3.Emergency exit was partially blocked. 4.10% safety exit signs and emergency lights were not monthly inspected. 5.No MSDS provided in chemical used area. 6.No safety label posted for hazardous chemicals. 7.No secondary container provided for hazardous chemicals. 8.Water pressure of eye wash facility was insufficient.

									9.Factors of occupational hazards in screen printing workshop was not conducted. 10.Regular occupational health checks was not provided.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1.Overtime hours in a month exceeded the statutory limits.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
8	<u>Regular Employment</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC: 1.Compensate mentioned in the contract was inconsistent with the actual payment system.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10B2	<u>Environment 2-Pillar</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2	0	0	NC: 1.No hazardous wastes dispose documents kept. 2.Wastewater generated from screen printing boards washing was not well disposed.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	This is SMETA 2-pillar audit.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	This is SMETA 2-pillar audit.

General observations and summary of the site:									
<p>1.The products manufactured at this site are ball-point pens and notebooks.</p> <p>2.The production processes: injection, screen printing, assembling.</p> <p>3.Overall responsibility for meeting the standards is taken by the factory management, Ms [REDACTED] Factory manager.</p> <p>4.The youngest employee on site was 30 years old.</p> <p>5.There was no union trade at this factory. But worker representative was observed during the audit, the worker representative attended the opening meeting and closing meeting. Through worker interview, the workers were pleased with the factory working environment and no negative information was raised.</p> <p>6.There was evidence of both male and female in management and among supervisors. The distribution was Male 33.33%, Female 66.67%.</p> <p>7.As per the management, no sub-contractor was used by the factory.</p> <p>8.During the audit, as the factory had total 7 employees (one took personal leave on the audit day), so all 6 rest employees (male 1 and female 5) were selected for individual interview.</p> <p>9.Payrolls for the period from August 2020 to July 2021 and attendance records for the period from 01/08/2020 to 02/09/2021 (audit day) were provided for review. Auditor sampled all 7 employees' payrolls and attendance records from July 2021 (current month), February 2021 (random month) and December 2020 (random month) for further checking on status of wages and working hours.</p> <p>10.Normal working hours in this factory were 8 hours per day, 40 hours per week with at least one day off in a week.</p>									

**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:	[REDACTED] CO.,LTD
B: Site name:	[REDACTED] Co.,Ltd
C: GPS location: (If available)	[REDACTED] zhejiang province
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 [REDACTED] and valid from 03/12/2004 to 02/12/2026.
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Main products: ball-point pens and notebooks. Production processes: injection, screen printing, assembling.
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	In view of the facilities, the factory rent 1F and 2F of one 3-storey office, production and warehouse building from [REDACTED] Co., Ltd. The 3F used as office room by landlord. The total building area occupied by the whole facility is about 1180 square meters. Factory construction has been checked and approved by local construction bureau on 21/12/2015. The building was made up of concrete, bricks and steel. There was a total of 7 employees on site (4 are migrant employees and 3 local employees, all are permanent). Migrant employees were mainly from Anhui and Hubei provinces in China. All employees are hired by the factory directly. The normal working time was 8 hours per day and 5 days per week. The factory only ran 1 shift and normal working hours from 8:00-11:30 and 12:30-17:00. Finger identification attendance system was used for time keeping for all employees. All employees' wages were calculated on monthly rate and paid at the end of each month for the last working period in cash.

	<table border="1"> <thead> <tr> <th data-bbox="691 247 948 310">Production Building no 1</th> <th data-bbox="953 247 1192 310">Description</th> <th data-bbox="1196 247 1455 310">Remark, if any</th> </tr> </thead> <tbody> <tr> <td data-bbox="691 317 948 432">Floor 1</td> <td data-bbox="953 317 1192 432">Injection workshop, raw materials warehouse</td> <td data-bbox="1196 317 1455 432">Nil</td> </tr> <tr> <td data-bbox="691 438 948 590">Floor 2</td> <td data-bbox="953 438 1192 590">Office, screen printing, assembling, finished products warehouse</td> <td data-bbox="1196 438 1455 590">Nil</td> </tr> <tr> <td data-bbox="691 596 948 621">Floor 3</td> <td data-bbox="953 596 1192 621">Office</td> <td data-bbox="1196 596 1455 621"></td> </tr> <tr> <td data-bbox="691 627 948 680">Is this a shared building?</td> <td data-bbox="953 627 1192 680">Yes</td> <td data-bbox="1196 627 1455 680">The 3F was used as office by landlord</td> </tr> </tbody> </table> <p data-bbox="675 686 1312 716">For below, please add any extra rows if appropriate.</p> <p data-bbox="675 747 1398 777">F1: Visible structural integrity issues (large cracks) observed?</p> <p data-bbox="675 783 760 812"><input type="checkbox"/> Yes</p> <p data-bbox="675 816 760 846"><input checked="" type="checkbox"/> No</p> <p data-bbox="675 850 1403 903">F2: Please give details: No any visible structural integrity issue noted, all the buildings are in good status</p> <p data-bbox="675 963 1349 993">F3: Does the site have a structural engineer evaluation?</p> <p data-bbox="675 997 760 1026"><input checked="" type="checkbox"/> Yes</p> <p data-bbox="675 1031 760 1060"><input type="checkbox"/> No</p> <p data-bbox="675 1087 1422 1178">F4: Please give details: The factory obtained the acceptance checks for completion of all building from [REDACTED] construction and administration.</p>	Production Building no 1	Description	Remark, if any	Floor 1	Injection workshop, raw materials warehouse	Nil	Floor 2	Office, screen printing, assembling, finished products warehouse	Nil	Floor 3	Office		Is this a shared building?	Yes	The 3F was used as office by landlord
Production Building no 1	Description	Remark, if any														
Floor 1	Injection workshop, raw materials warehouse	Nil														
Floor 2	Office, screen printing, assembling, finished products warehouse	Nil														
Floor 3	Office															
Is this a shared building?	Yes	The 3F was used as office by landlord														
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)	The peak season is not obvious.															
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Main products: ball-point pens and notebooks. Production processes: injection, screen printing, assembling The main machine list of the factory is as following: 4 injection machines, 10 screen printing machines, 1 perforating machine and 1 gluing machine.															
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee															

	<input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A N1: If no, please give details

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 8:40 A2: Day 1 Time out: 15:30	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	1 auditor*1 day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi-announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If No, why not? The factory management said they were not required to fill SAQ before the audit.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	██████████ factory manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	12/03/2019		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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>	The factory didn't have union.					

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	0	0	0	2	0	0	0	2
Worker numbers – female	3	0	0	2	0	0	0	5
Total	3	0	0	4	0	0	0	7
Number of Workers interviewed – male	0	0	0	1	0	0	0	1
Number of Workers interviewed – female	3	0	0	2	0	0	0	5
Total – interviewed sample size	3	0	0	3	0	0	0	6



A: Nationality of Management	China	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first. Please add more nationalities as applicable to site. Add more rows if required.</p>	<p>Nationalities: B1: Nationality 1: ___Chinese (Han Ethnic)___ B2: Nationality 2: _____ B3: Nationality 3: _____</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No N/A, the factory did not have peak season If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 ___100%___ 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: _____% hourly paid workers D2: ___100%___% salaried workers</p> <p>Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: ___100%___% 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: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	N/A, as the factory has 7 employees in total, so the interview conducted via individual. And one employee took personal leave on the audit day.	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 1	D2: Female: 5
E: All groups of workers are included in the scope of this audit such as: Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A, all interviews were conducted via individual. If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	No any complaint raised	
I: What did the workers like the most about working at this site?	Wages are paid on time and overtime is voluntary	
J: Any additional comment(s) regarding interviews:	All employees are satisfied with the working conditions, factory policies, working hours and benefits of the factory. They had a good relationship with management.	
K: Attitude of workers to hours worked:	Favourable	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:		

M: Attitude of workers:

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

All 6 employees on the audit day were selected for interviewing individually.

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

Most interviewed employees disclosed that they may need to work overtime for 2 hours in the weekdays and 8 hours on Saturdays, but the overtime was voluntary.

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

They were able to make suggestions to their supervisors and suggestions box. They felt able to complain directly to their boss and worker representative.

In addition, all interviewed employees stated that factory did not provide dormitory or canteen to them and they live outside of the factory by themselves currently.

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

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

There was worker committee in this factory. One worker representative was interviewed. She was favourable with the management and the working conditions, and she stated that the worker representative could give suggestions on all parts of the site's practices, and the factory management would investigate their suggestions or concerns and respond to them in a timely manner.

O: Attitude of managers:

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

The management showed a cooperative attitude during the whole process. The management was not familiar with all the ETI requirements but was willing to take corrective actions for the findings identified during 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:

- This factory has established relevant policy which covers the human rights impacts and issues, and such policy had been communicated to all appropriate parties, including its own suppliers.
- The factory conducted the risk assessment of human rights and salient issues to their stakeholders, and measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
- The factory has a designated Ms. [REDACTED] factory manager to responsible for implementing standards concerning Human rights:
- Transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

- Policy regarding human rights issues provided for review;
- Appointment letters to enhance the implement of human right issues;
- Training records provided for employees regarding communications and acknowledgement;
- Internal audit documents;
- Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers;
- Management interview and employee interview.
- Employee handbook, some anonymous grievance material from the confidential E-mail

Any other comments:

Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Human rights will be respected in the whole factory.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: [REDACTED] Job title: Factory manager
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The reporter's personal information would not be revealed, and the reporting practice would never affect the working arrangement or promotion/position.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Relevant training regarding privacy procedures would be provided to employees when they joined the factory. All the workers' information such as Personnel file with ID copy were locked in file cabinet by HR department and Payroll records were locked in file cabinet by factory manager.

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

Good examples observed:	
Description of Good Example (GE): None Observed.	Objective Evidence Observed: N/A

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: ___14.29___ %	A2: This year ___14.29___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___0___ %	C2: This year ___0___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: All injuries/accidents were recorded by the factory in past 12 months.	
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
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0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

- Responsibility for meeting the legal and client code requirements was shared between the top Manager and the Health & Safety Manager. Together they were responsible to the factory manager for ensuring the standards are met.
- Ensuring that licenses and business permissions were up to date the responsibility.
- Overall responsibility for meeting the standards was taken by the Factory Manager, Ms [REDACTED]
- There was an internal audit team for quality who in addition took on the role for internal audit of the social standards of the factory and they reported to the HR and Health & Safety manager jointly to report their findings.
- There were no certifications at the site, such as ISO 14000, ISO 9000 OHSAS 18001 etc
- Implementation of any necessary changes is then given to the individual department heads after agreement with the factory manager.
- ETI Code or the customer's Code of Conduct was communicated to their supply chain but the training was not provided to employees.

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

Details:

Internal audit documents dated on 20/11/2020.

Client's code of conduct at the factory (posted in Chinese in the notice board).

A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements, however all of these were not implemented.

Employees' training records showed the factory conducted training for employees about the social compliance when they enter the factory.

Any other comments:

Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No any fine/prosecution in past year.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Factory has established policies for these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies were communicated to workers via poster and annual training provided, the last conducted on 21/04/2021.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory provided regular training in the standards for forced labour, child labour, discrimination, harassment and abuse for both management and workers.
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: Regular training records were provided for review; the latest training was held on 12/05/2021. The employees were aware clearly of the facility's relevant policies and procedures according to the interview.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: no such system certifications done by factory.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory only had 7 employees in total and factory manager was in charge of the recruitment of employees, assignment of employees' post, etc.
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: Ms ██████████ factory 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: All employees' personal information would be kept and only accessed by authorized staff, such as factory manager.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' personal information would be kept and only accessed by authorized staff, such as factory manager.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment was conducted 06/01/2021.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory updated its risk identification and assessment of health and safety every year and implement a process to reduce identified risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: There is a policy to ensure all suppliers in compliance with legal requirements regarding labour standards, annual assessment was conducted and the last one was conducted on 14/10/2020.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: the factory had provided property certificate for the occupied building for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No O1: Please give details: N/A
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC:
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: N/A, not applicable for this factory

R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details: NA, not applicable for this factory

Non-compliance:	
<p>1. Description of non-compliance:</p> <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Auditor noted that the factory did not provide training on ethical code to workers. <p>ETI requirement: 0.B.4 Suppliers are expected to communicate this Code to all employees.</p> <p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that training on ethical code are provided workers.</p>	<p>Objective evidence observed: Document review and employees interview.</p>

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

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

1: Freely Chosen Employment

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The factory has a policy which prohibits forced labour and this was available for review.
- There was a non-formalised application procedure which states 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.
- The employee handbook – given to all workers on joining, states that workers within their probation period are free to leave with 3 days' written notice and once a worker is permanent (this is 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 states that they will be given their full wages on their last day of work.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- The factory did not require any payment for work tools, PPE, training, etc.
- The factory did not use prison labour.
- The above was confirmed in management and employee interview.

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

Details:

1. Personnel files (all were checked)
2. Resignation records for past 1 year
3. Factory rules
4. Employee handbook
5. Management and employee interview

Any other comments:

Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:

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: Employee should give the employer 30 days' prior written notice to terminate the employment contract, obtaining the employer's consent is not necessary. Upon expiry of the 30-day period, the employee may propose completion of the procedures for the termination of the employment contract, and the employer will do so accordingly.
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: NA
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: After working time, employees can free to leave the site without any restriction.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: Before cooperation, the factory had on-site assessment about the social compliance and quality of their suppliers.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory has established the procedure of prohibiting forced labor and trafficking labor.

Non-compliance:

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

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

- The factory has a written policy of freedom of association and right to collective bargaining. The policy states that the employees are free to form or join trade union or workers' organisation and enjoy the right to collective bargaining, and nobody will be treated differently if they are members of the trade union or workers' organisation, etc.
- The factory has a written policy about suggestions and appeals, which states that employees can raise their concerns or appeals through worker representatives, telephone, suggestion box, and their team leaders or above.
- The interviewed workers confirmed that they were free to join trade union or workers' organisation and enjoy the right to collective bargaining.
- The interviewed worker representative confirmed that the factory did not interfere their activities, and did not discriminate the worker representatives.

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

Details:

- Policy of freedom of association and right to collective bargaining
- Policy about suggestions and appeals
- Worker representatives' selection records and meeting records
- Response records for employees' suggestions and appeals
- Interviews with worker representative, management and employees.

Any other comments:

Nil

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

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

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The worker committee could conduct free meeting without interference or restriction in available room.	
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?	Worker committee	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 14/11/2018 and no validity
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last meeting of worker representative conducted on 23/06/2021 and topic regarding the worker representative responsibility issues were discussed, and the meeting minutes were pasted on public board for employees' acknowledgement.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

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

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or re-assigned 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

- Written Health and Safety Policy and Health and Safety Manual were available.
- Mr. [REDACTED] was appointed as Health & Safety Supervisor for the site.
- Potable water was freely available in all areas for employees.
- Sufficient clean toilets segregated by gender were available at all times to employees.
- Ventilation, temperature and lighting were adequate for the workplaces during working hours.
- The valid annual testing report of the special appliances was available.
- Accident records were available.

2. Fire Safety

- There were at least 2 exits for most work areas and all of the exits were clearly marked but 1 was blocked.
- Fire-fighting equipment was adequate but checks for partial were not up-to-date.
- Evacuation diagrams were posted in all areas and understood by all workers interviewed
- Fire drills were organized and recorded every 6 months
- Training had been given by the factory management.

3. Electrical safety

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

4. Chemical safety

- Printing ink, detergent and glue used in the factory.
- No MSDS of detergent was provided for review.
- Chemical training was provided to employees dated on 18/03/2021.

5. Medical services - There were adequate first aid kits in each production area and they were well stocked.

- There were 2 first aiders and when a selection was interviewed, they confirmed that they had been trained at a local hospital.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records on 18/03/2021 and 25/11/2020
- Building structure safety certificate valid on 21/12/2015
- Trained first aider register
- Accident reports
- Potable water testing certificates on 19/05/2021
- Interviews with H&S manager
- Interviews with workers and H&S committee members

Any other comments:

Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The site had a H&S manager and a H&S committee who met regularly – evidence of actions
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Each employee received an employee handbook at induction, and a copy was posted on the notice board of the factory. This handbook included all available policies.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: NA, not applicable for this facility.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: All visitors would be introduced with H & S and provided with personal protective equipment if necessary.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: N/A, no medical room or medical facility provided and no such legal requirement in China.
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: N/A No such legal requirement in China. There are 2 trained first aiders.

G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: NA The factory did not provide worker transport and no such legal requirements
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A, no dormitory was available in the factory.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: H&S risk assessment was conducted on 06/01/2021.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Environment impact report was provided for review and all effluent meets the legal requirement.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemical was used in the factory.

Non-compliance:

1. Description of non-compliance:

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

Auditor noted that the factory didn't set an emergency assembly point.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that an emergency assembly point should be set.

2. Description of non-compliance:

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

Auditor noted that a large number of flammable material (e.g., cartons) was laid beside one electric switch box in injection workshop.

Local law: In accordance with Article 5.1.1 of the General Guide for Safety of Electric User (GB/T13869-2017), there shall be sufficient safety path and

1.Objective evidence observed:
 Factory tour and management interview

2.Objective evidence observed:
 Factory tour and management interview
 See NC Photo 1

operation space around the electric installation. No flammable, explosive or corrosive material shall be stored near the electric installation.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that all electric boxes in the injection workshop are free of obstruction.

3. Description of non-compliance:

NC against EI NC against Local Law NC against customer code:

Auditor noted that 1 out of 2 exits in screen printing workshop was partially blocked by semi-products.

Local law: In accordance with Article 28 of Fire Control Law of the People's Republic of China, no units or individuals may damage or divert to other purpose, dismantle or inactivate fire control facilities and equipment without authorization, or bury and occupy fire hydrants, take up fire prevention spaces and block fire control passages, safety exits or fire-fighting truck passage. Barrier that baffles evacuation and fire-fighting activities shall not be located at doors and windows in crowded concourse.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that all exits in the screen printing workshop are free of obstruction.

4. Description of non-compliance:

NC against EI NC against Local Law NC against customer code:

Auditor noted that the last inspection for 10% emergency lights and the safety exits was in July 2021, not on a monthly basis.

Local law: In accordance with Article 26 of the Regulation on Fire-safety Management for State Organs, Organizations, Enterprises and Institutional Organizations, fire-safety inspection shall be conducted at least on a quarterly basis and other units shall conduct fire-safety inspection at least on a monthly basis. The fire-safety inspection shall include the following items: whether corrective actions are implemented to tackle the potential fire-safety risk; status of the evacuation signs installed in the evacuation passage, the emergency lights and the safety exits;

3.Objective evidence observed:

Factory tour and management interview
See NC Photo 2

4.Objective evidence observed:

Factory tour and management interview
See NC Photo 2

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that the fire-safety inspection for fire-fighting equipment, the emergency lights and the safety exits are conducted on monthly basis.

5. Description of non-compliance:

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

Auditor noted that no material safety data sheet for products (MSDS) was available for the chemicals (e.g. detergent) being used in the injection workshop.

Local law: In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory.

6. Description of non-compliance:

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

Auditor noted that hazardous chemicals such as printing ink, detergent were posted with content labels not safety labels.

Local law: In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous

5. Objective evidence observed:

Factory tour and employee interview

6. Objective evidence observed:

Factory tour and management interview
See NC photo 3

chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that all hazardous chemicals stored or being used in the factory is posted with safety labels.

7. Description of non-compliance:

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

Auditor noted that there was no anti-leakage facility (e.g. secondary container) in the chemical material storage for detergent and glue (Hazardous chemical).

Local law: In accordance with article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, firefighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptic, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that the anti-leakage facility (e.g. secondary container) is used for detergent and glue.

8. Description of non-compliance:

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

Auditor noted that the eyewash facility installed in chemical used area, but the water pressure was insufficient.

Local law: In accordance with Article 8.3 of Hygiene standards for the design of industrial enterprises (GBZ1-2010), in case there is possibility of chemical burn through the skin and mucosa absorption of acute poisoning caused by workplace or workshop, facility should set up on-site emergency treatment

7. Objective evidence observed:

Factory tour and management interview
See NC photo 4

8. Objective evidence observed:

Factory tour and management interview
See NC photo 5

facilities based on the possible occupation or of harmful factors and hazard characteristics, in the nearest place of work. First aid facilities should include: shower and eye wash facilities with continual water supply; gas protection cabinet; personal protective equipment; first aid kit or emergency and first-aid medicine box; a stretcher and device for transporting patient; emergency treatment facilities and emergency rescue communication equipment.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure that the installed eye wash facility was functional.

9. Description of non-compliance:

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

Auditor noted that printing ink was using in screen printing workshop, which might cause occupational diseases to employee in that workshop. However, factory did not conduct testing of factors of occupational hazards in screen printing workshop.

Local law: In accordance with Article 20 of Provisions on the Supervision and Administration of Occupational Health at Work Sites, an employer unit with occupational hazards shall entrust an occupational health technical service institution with the corresponding qualification to conduct testing of factors of occupational hazards at least once each year.

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

Recommended corrective action: It is recommended that management adopt practices and controls to ensure to entrust an occupational health technical service institution with the corresponding qualification to conduct testing of factors of occupational hazards at least once a year.

10. Description of non-compliance:

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

Auditor noted that the factory did not provide regular occupational health checks to one employee in screen printing workshop who was in contact with hazardous materials.

Local law: In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of

9.Objective evidence observed:

Document review and management interview

10.Objective evidence observed:

Document review and management interview

<p>occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.</p> <p>ETI requirement: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all employees handling hazardous materials.</p>	
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

4: Child Labour Shall Not Be Used

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

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

ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current systems:

- An informal procedure to check age of workers at application included checking ID's.
- After joining original ID's were returned and only copies kept on file
- Youngest worker was 30 years old. No child labour or young labour was hired before.

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

Details:

- Personnel files of all employees
- Updated employees' roster
- Recruitment policy/procedure

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	30 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 % N/A. No child labour or young worker was found during this audit %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A. No employee under 18 years old was employed.

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

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

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Wage & benefit policy and controlling procedure were established and implemented.
- Wage & benefit policy and controlling procedure were posted on site.
- Local minimum wage standard was RMB 2010 per month equivalent to RMB 11.55 (2010/21.75/8) per hour since 01/12/2017, employees' wages were calculated on monthly rate.
- Adequate wages and attendance records were kept in the factory.
- All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- Based on the provided attendance records and payrolls:
 - 1) The minimum wage paid by the factory was RMB 2010 per month which compliance with local law.
 - 2) 150% and 200% of the normal wages were provided for the overtime hours on weekdays and rest days respectively in the sampled months (there was no overtime in statutory holidays in the sampled months).
- Sufficient maternity leave was provided to female employees.
- All eligible employees were provided with social insurance.
- Benefits such as annual leave, sick leave, and child-bearing leave etc. are provided to relevant employees adequately.
- All employees were paid at the end of following month by cash and each employee was given a pay slip and signed for their wages.
- No monetary fine was used by the factory as disciplinary measure.

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

Details:

Document review

Worker interview

Local and national laws

Wages and benefits policy

Local legal minimum wage documents

Payroll records from August 2020 to July 2021
 Leave records
 Labour contracts for all employees (to examine agreed wage rates)
 Resignation records
 Payslips of all workers interviewed
 Cross-checking the attendances between the attendance records, payrolls, daily production records, QC records, broken needle records, etc.
 Disciplinary records
 Employee 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:

None observed.

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed.

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed.

Not applicable

Objective Evidence Observed:

Not applicable

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/day 40 hours/week:	A1: 8 hours/day 40 hours/week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, no CBA in the factory
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 36hours/month 3hours/day	B1: Maximum: 50 hours/month (–December, 2020, 48-50 hours; –February 2021, 8-10 hours; –July, 2021, 40-48 hours. 2 hours/day	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, no CBA in the factory
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: RMB2010 per month	C1: RMB2010 per month	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, no CBA in the factory
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 1) No less than 150% of the normal wages for overtime working on normal weekdays; 2) no less than 200% of the normal wages for overtime working on rest day if no deferred rest can be taken; 3) no less than 300% of the normal wages for overtime working on	D1: 150% and 200% of the normal wages for overtime hours on weekdays and rest days respectively (there was no overtime on Statutory Holidays).	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, no CBA in the factory

	statutory holidays		
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Wages analysis: <i>(Click here to return to Key Information)</i>	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No, why not?	N/A
B: Sample Size Checked (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)	Total 7 employees in the factory: 7 samples from December, 2020 (previous month); 7 samples from February 2021 (previous month); 7 samples from July, 2021 (current month).
C: Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes, please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A D1: If No, please give details:
E: For the lowest paid production 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: Note: full time employees and please state hour / week / month etc. RMB 2010 per month equivalent to RMB 11.55 (2010/21.75/8) per hour
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: Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc. Performance bonus from RMB 700 to RMB1300 per month High temperature allowance RMB200 per month in summer
H: What deductions are required by law e.g. social insurance? Please state all types:	Personal income tax and social insurance

I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that have been made.	1. 2. Please describe:
		I2: Please list all deductions that have not been made.	1. Social insurance 2. Personal income tax Please describe: The factory paid the social insurance for employees' part; personal income tax has not reached the threshold
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: No workers asked to attend meetings before or after work.		
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:		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: Not applicable, there is no a defined living wage		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory conducted once internal audit per year to check the compliance of wages.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employees' interview, it was confirmed that equal rates were being paid for equal work.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

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:

- Working time policy and controlling procedure were established and implemented in the factory.
- Overtime is voluntary.
- Working time policy and controlling procedure were communicated to the employees.
- Working time was recorded and kept by the factory.
- The employees' attendances were recorded by finger identification attendance system and the shift start time and shift end time were recorded accordingly.
- Based on provided attendance records, 1) basic working hours were 8 hours per day and 40 hours per week; 2) the daily overtime was 0-2 hours per day, the maximum monthly overtime hours exceed 36 hours; 3) the weekly working hours did not exceed 60 hours; 4) the employees have at least 1 day off per week;

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

Details:

- Employee interview
- Management interview
- Local and national laws
- Factory policy on working hours
- Time cards
- Sample pay slips with recorded hours all workers interviewed
- Workers' contracts
- 12 months' hours records to establish highest and lowest hours over all employees
- Cross-checking the attendances between the attendance records, payrolls and production records

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

Auditor noted that all 7 employees worked in excess of the statutory overtime hour limits.

A review of 7 employees' time records (7 employees from current month July 2021, previous month February 2021 and December 2020 respectively) yielded the following:

7 out of 7 employees worked in excess of 36 overtime hours per month (i.e. 40 to 48 hours) in July 2021, which was not in compliance with the legal requirement;

4 out of 7 employees worked in excess of 36 overtime hours per month (i.e. 48 to 50 hours) in December 2020, which was not in compliance with the legal requirement;

Local law: In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

ETI requirement: 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.

Recommended corrective action: It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

1. Objective evidence observed:

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

Observation:

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

Working hours' analysis				
Please include time e.g. hour/week/month (Go back to Key information)				
Systems & Processes				
A. What timekeeping systems are used: time card etc.	Describe: Finger print identification attendance system			
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details			
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	D1: If YES, please complete as appropriate:			
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 25%; text-align: center;"><input type="checkbox"/> 0 hrs</td> <td style="border: 1px solid black; width: 25%; text-align: center;"><input type="checkbox"/> Part time</td> <td style="border: 1px solid black; width: 25%; text-align: center;"><input type="checkbox"/> Variable hrs</td> <td style="border: 1px solid black; width: 25%; text-align: center;"><input type="checkbox"/> Other</td> </tr> </table>	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other	
If "Other", Please define:				

E: Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details:
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):		
All employee's maximum worked consecutively 6 days during the sampled months.		
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Daily overtime hours: 2 hours in July 2021 (current month); 2 hours in February 2021 (previous month); 2 hours in December 2020(previous month). Weekly overtime hours: 12 hours in July 2021 (current month); 10 hours in February 2021 (previous month); 12 hours in December 2020 (previous month). Monthly overtime hours: 40-48 hours in July 2021 (current month); 8-10 hours in February 2021 (previous month); 32-50 hours in December 2020 (previous month).	
J: Combined hours (standard or contracted)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

+ overtime hours = total) over 60 found? Please give details:		
K: Approximate percentage of total workers on highest overtime hours:	___50___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: The voluntary overtime policy was provided for review. Regular training was provided for employees. Through employees' interview and documentation review, it was confirmed that overtime was voluntary.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <u>standard</u> wages: 150% of the normal wages for the overtime hours on weekdays
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: The factory paid 150% of the normal wages for the extension of working hours on normal days, paid 200% of the normal wages for the extended hours on rest days, and there was no overtime work on statutory holidays. Wages were paid 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 (May be standard wages above minimum legal wage, with no/low overtime premium) <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	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances	

considerations? Please complete the boxes where relevant.	<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:

- The factory had anti-discrimination policy and procedure;
- As informed by interviewed employees, most employees spoke highly of the factory owner.
- No employee was required to do the examination of the hepatitis B virus and HIV.
- No female employee was required to do the examination of pregnant test.
- Gender divisions did not exist in the factory; both female and male employees were distributed in all types of work.
- There was no evidence of sexual harassment.
- No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organisation membership or political affiliation was found in the factory.
- There was an internal grievance process, all employees were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

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

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (include as one combined group)	A1: Male: <u>33.33</u> % A2: Female: <u>66.67</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:	No woman is in skilled or technical roles.

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?	On- going training is available to enable workers to progress. The equal and fair selection criteria are in place for all promotion and benefits.
---	---

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

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

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

- All permanent workers (local and migrant) were recruited by the factory directly.
- All workers had signed a labour contract with the factory on the day they were employed and received a copy of the labour contract.
- The factory did not use the subcontracting or home workers.

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

Details:

- The hiring and termination policy and procedures
- Personal files
- Payroll records were provided for review.
- Labour contracts
- Management interview and employee interview.

Any other comments:

Nil

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted that according to the employment contracts, employees were paid hourly wage and the hourly rate was not defined. However, according to the payroll records provided, it was noted that employees were paid monthly wage, although their monthly wage was equal to the local minimum wage standard (RMB2010 per month in all tested periods.)</p> <p>Local law: In accordance with Article 30 of Law of the People's Republic of China on Employment Contracts, employers shall pay employees full amount of wages on time in accordance with the employment contracts and state regulations.</p> <p>Additional Elements: 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p> <p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that employees are properly compensated according to the employment contracts or the contracts are updated according to actual payment system.</p>	<p>Objective evidence observed: Document review and management interview</p>

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

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

Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers:	
The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity	
A: Type of work undertaken by migrant workers:	All types of work in the factory include migrant workers from in-country regions.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0

	B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations:
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles:	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A, no non-employee worker
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: N/A, no non-employee worker
C: If any checked, give details:	N/A

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No 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:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: N/A

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

- A factory tour showed that all production processes were present in the unit.
- No sub-contracting or homeworking was used by this factory.
- The factory has established the policy to ensure sub-contracting would not be used unless previous agreed with the main client.
- Production records such as daily production record, materials in and out records, QC inspection records etc were reviewed, there was no sign of subcontracting or homeworking.

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

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

If any processes are sub-contracted – please populate below boxes

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

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:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed.

Local law or ETI/Additional elements requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed.

Objective Evidence Observed:

Not applicable

Summary of sub-contracting – if applicable

Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting

Yes

No

A1: Please describe: N/A

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

Yes

No

B1: If Yes, summarise details: N/A

C: Number of sub-contractors/agents used:

N/A

D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details: N/A
E: What checks are in place to ensure no child labour is being used and work is safe?	N/A

Summary of homeworking – if applicable
 Not Applicable please x

A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details: N/A
B: Number of homeworkers	B1: Male: N/A B2: Female: N/A Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A
	C1: If through agents, number of agents: N/A
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
E: How does the site ensure worker hours and pay meet local laws for homeworkers?	N/A
F: What processes are carried out by homeworkers?	N/A
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

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

ETI

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory provided access to a confidential grievance mechanism for all workers including suggestion box.
B: If Yes , are workers aware of these channels and have access? Please give details.	All employees were trained on the facility confidential grievance mechanism.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, worker representative or direct talk to management.
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: The grievance mechanism included a provision for non-retaliation and it allowed employees to report issues anonymously
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details N/A
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details N/A

I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No II: If yes, please give details N/A
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Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ul style="list-style-type: none"> • The factory established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. • The factory established a disciplinary procedure for employees' misbehaviour. • The anti-harsh or inhumane treatment policy and disciplinary procedure were communicated to the employees through regular training. • Employee interview confirmed that employees were aware of anti-harsh or inhumane treatment policy and disciplinary procedure. • There is an internal process for grievance, where employees can report any grievances (harassment, bullying, discrimination etc.) and any received complaint will be handled by management. <p>The factory established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <ul style="list-style-type: none"> • The factory established a disciplinary procedure for employees' misbehaviour. The anti-harsh or inhumane treatment policy and disciplinary procedure were communicated to the employees through regular training. • Employee interview confirmed that employees were aware of anti-harsh or inhumane treatment policy and disciplinary procedure. • There is an internal process for grievance, where employees can report any grievances (harassment, bullying, discrimination etc.) and any received complaint will be handled by management. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> • The anti-harsh or inhumane treatment policy and disciplinary procedure • Training records regarding anti-harsh or inhumane treatment policy and disciplinary procedure • Internal grievance procedure • Factory tour • Management interview and employee interview <p>Any other comments: Nil</p>

Non-compliance:

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

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

Per documents review, factory management representation and employees interview, all employees in the factory was Chinese, no migrant workers from other country was noted in the factory. All employees had the proper legal rights to work in this region. The youngest age was 30 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. During this audit, no agency staff or foreign employee was used by the factory.

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

Details:

- Hiring procedure
- Personnel files
- Employee handbook
- Factory tour
- Management interview and employee interview

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.

Objective evidence observed:
 Not applicable

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Observation:

<p>Description of observation: None observed.</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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<p>Good examples observed:</p>	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: Not applicable</p>

10. Other issue areas 10B2: Environment 2–Pillar[\(Click here to return to summary of findings\)](#)

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

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

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems:

- The factory management maintained most legally required environmental documents in place which proved that the production of the facility was in compliance with the related environmental regulations.
- The facility had obtained the environmental impact assessment (EIA) report and EIA approval.
- Mr. [REDACTED] EHS manager was appointed responsible for environmental issues.
- The factory has not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.
- The factory had established the environmental protection policy for review.
- The factory has no environmental certifications but with environmental management system documentation.
- Based on observation on site, waste water generated from screen printing boards washing was not well disposed.
- Based on worker's interview, they were trained on environmental protection.
- The factory measures and monitors its energy usage. The factory monitors electricity monthly. Water usage is monitored monthly and a matrix report is kept on file.

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

Details:

- Environmental impact assessment (EIA) report and EIA approval
- Documents checking
- Management and worker's interview.

Any other comments:

NI

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input checked="" type="checkbox"/> NC against Local Law Auditor noted that waste chemical drums(HW49) were generated in the factory. However, the factory management was unable to provide the hazardous waste entrust disposal contract and relevant transfer manifest of these hazardous wastes for review.</p> <p>Local law: In accordance with Article 57 of Law of the People’s Republic of China on Prevention and Control of Solid Waste Pollution, operation permits for collecting, storing and disposing hazardous waste must be obtained by the operation units from the local environmental bureau above the county level. Engaging in collection, storage, utilization and treatment of hazardous waste without a business license or at variance with the provisions of a business license is prohibited. Supplying or entrusting hazardous waste to a unit that does not have a business license for collection, storage, utilization and treatment of hazardous waste is prohibited.</p> <p>ETI requirement: 10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that the hazardous waste is disposed by qualified contractors.</p>	<p>1.Objective evidence observed: Document review and management interview</p>
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Auditor noted that the wastewater generated from screen printing boards washing was not well disposed. The factory let the wastewater to evaporate.</p> <p>ETI requirement: 10B2.2 The supplier should be aware of and comply with their end clients’ environmental requirements.</p> <p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that wastewater generated from screen printing boards washing is well disposed.</p>	<p>2.Objective evidence observed: Factory tour and management interview See NC photo 6</p>

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

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

Other findings

Other Findings Outside the Scope of the Code
None observed

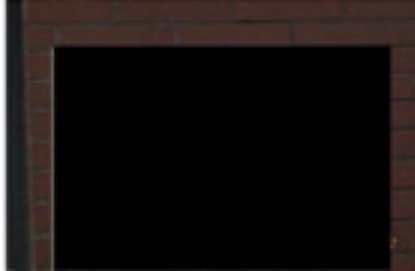



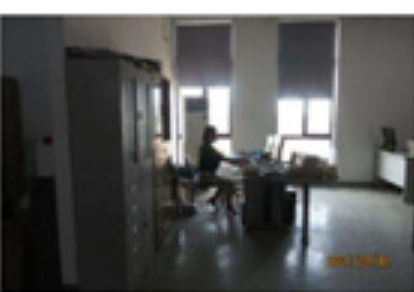




Community Benefits
<i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
None observed



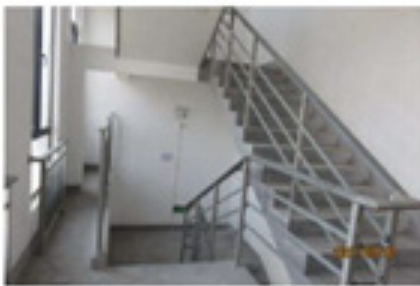






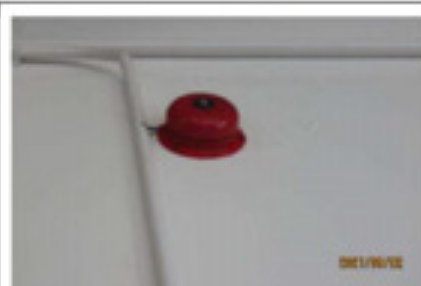


Appendix 1

<p>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."</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Not Applicable please x</p>
--

Photo Form







General Photo

		
<p>Factory name</p>	<p>Factory main gate</p>	<p>Factory address</p>
		
<p>Factory building</p>	<p>Office</p>	<p>Sample room</p>
		
<p>Safety exit sign and emergency light</p>	<p>Emergency exit</p>	<p>Evacuation plan</p>

		
<p>Fire extinguishers</p>	<p>Fire extinguishers</p>	<p>Emergency staircase</p>
		
<p>Warehouse</p>	<p>Warehouse</p>	<p>Injection workshop</p>
		
<p>Screen printing workshop</p>	<p>Assembling workshop</p>	<p>Fire alarm</p>
		
<p>Fire alarm</p>	<p>Notification lighting</p>	<p>Fire hydrant</p>

		
<p>Portable water</p>	<p>Toilet</p>	<p>Toilet</p>
		
<p>Electrical panel</p>	<p>Suggestion box</p>	<p>Notice board</p>
		
<p>Finger attendance machine</p>	<p>PPE wearing</p>	<p>Explosion-proof light</p>
		
<p>Emergency switch off button</p>	<p>Evacuation sign</p>	<p>GPS Location</p>

NC photo

		
<p>NC1-Cartons were laid beside one electric switch box</p>	<p>NC2-Emergency exit was partially blocked</p>	<p>NC3-Content label not safety label posted</p>
		
<p>NC4- No anti-leakage facility provided</p>	<p>NC5-Insufficient of water pressure</p>	<p>NC6-Waste water was not well disposed</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:

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