



Sedex Members Ethical Trade Audit Report

Version 6.1



| Audit Details | | | |
|--|--|---|--|
| Sedex Company Reference: (only available on Sedex System) | ZC: [REDACTED] | Sedex Site Reference: (only available on Sedex System) | ZS: [REDACTED] |
| Business name (Company name): | [REDACTED] Co., Ltd | | |
| Site name: | [REDACTED] Co., Ltd | | |
| Site address: (Please include full address) | [REDACTED] Fujian Province and China | Country: | China |
| Site contact and job title: | [REDACTED] / 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 checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics |
| Date of Audit: | June 24&25, 2021 | | |

| | |
|---|--|
| Audit Company Name & Logo: ELEVATE  | Report Owner (payer): <i>(if paid for by the customer of the site please remove for Sedex upload)</i> [REDACTED] Co., Ltd |
|---|--|

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

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):

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

Lead auditor: Rony Le APSCA number: 21701029

Lead auditor APSCA status: Registered Auditor

Team auditor: Johnny Chen APSCA number: 21701249

Interviewers: Johnny Chen APSCA number: 21701249

Report writer: Rony Le

Report reviewer: Prakash Suryawanshi

Date of declaration: June 24&25, 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 (please click on the issue title to go direct to the appropriate audit results by clause) note to auditor please ensure that when issuing the audit report the findings are retained | Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found) | | | | Record the number of issues by line : | | | Findings note to auditor summarise in as few words as possible |
|--|---|-------------------------------------|--------------------------|-------------------------------------|---------------------------------------|-----|----|--|
| | ET Base Code | Local Law | Additional Elements | Customer Code | NC | Obs | GE | |
| 0A Universal Rights covering UNGP | | | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 0B Management systems and code implementation | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 0 | 1 | 0 | OB: No SAQ for review |
| 1. Freely chosen Employment | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | |
| 2. Freedom of Association | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | |
| 3. Safety and Hygienic Conditions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 2 | 0 | 0 | NC: Workers did not use PPE properly Workers did not use the safety eye-shields properly |
| 4. Child Labour | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | |
| 5. Living Wages and Benefits | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | |

| | | | | | | | | | |
|------|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|---|---|---|---|
| | | | | | | | | | |
| 6 | <u>Working Hours</u> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 1 | 0 | 0 | NC: Excessive monthly overtime working hours |
| 7 | <u>Discrimination</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | |
| 8 | <u>Regular Employment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 8A | <u>Sub-Contracting and Homeworking</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 9 | <u>Harsh or Inhumane Treatment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 10A | <u>Entitlement to Work</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 10B2 | <u>Environment 2-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 10B4 | <u>Environment 4-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

| | | | | | | | | | |
|-----|------------------------|--|--------------------------|--------------------------|--------------------------|--|--|--|--|
| | | | | | | | | | |
| 10C | <u>Business Ethics</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

General observations and summary of the site:

Overall, there were 3 non-compliances and 1 observation were found during this audit. These were related to Management systems and code implementation (1 OB), Safety and Hygienic Conditions (2 NCs) and Working Hours (1 NC). Issues such as excessive monthly working hours etc. were noted.

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 Detail | | | | | | | | | | | | | | | | | |
|---|--|---|------------------------|-------------|----------------|---------|---------------------|-----|---------|--------------------------|-----|---------|--|-----|---------|--|-----|
| A: Company Name: | [REDACTED] Co., Ltd | | | | | | | | | | | | | | | | |
| B: Site name: | [REDACTED] Co., Ltd [REDACTED] | | | | | | | | | | | | | | | | |
| C: GPS location: (If available) | GPS Address: [REDACTED] [REDACTED] Fujian Province and China [REDACTED] [REDACTED] | Latitude: [REDACTED] Longitude: [REDACTED] | | | | | | | | | | | | | | | |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | Business License Number: [REDACTED] Valid date: from November 5, 2007 to November 4, 2027 | | | | | | | | | | | | | | | | |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc | Shopping Bags | | | | | | | | | | | | | | | | |
| F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings) | <p>[REDACTED] Co., Ltd was established in 2007 and located at [REDACTED], Fujian Province and China and China. The factory specialized in the manufacturing of Shopping Bags. The main production processes included: cutting, sewing, inspection and packing etc. The factory encompassed 1 block of 6-storey production building, no dormitory, canteen or kitchen was provided for employees use. The total land area occupied by the facility is about 20608 square meters.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>[REDACTED] Co., Ltd</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Office, cutting workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Office, sewing, inspection and packing workshops</td> <td>Nil</td> </tr> <tr> <td>Floor 4</td> <td>Office, sewing, inspection and packing workshops</td> <td>Nil</td> </tr> </tbody> </table> | | Production Building no | Description | Remark, if any | Floor 1 | [REDACTED] Co., Ltd | Nil | Floor 2 | Office, cutting workshop | Nil | Floor 3 | Office, sewing, inspection and packing workshops | Nil | Floor 4 | Office, sewing, inspection and packing workshops | Nil |
| Production Building no | Description | Remark, if any | | | | | | | | | | | | | | | |
| Floor 1 | [REDACTED] Co., Ltd | Nil | | | | | | | | | | | | | | | |
| Floor 2 | Office, cutting workshop | Nil | | | | | | | | | | | | | | | |
| Floor 3 | Office, sewing, inspection and packing workshops | Nil | | | | | | | | | | | | | | | |
| Floor 4 | Office, sewing, inspection and packing workshops | Nil | | | | | | | | | | | | | | | |

| | | | |
|-------------------|--|-----|-----|
| | Floor 5 | | Nil |
| | Floor 6 | | Nil |
| | Is this a shared building? | Yes | Nil |
| | <p>A total of 347 employees were currently working at the factory, including 285 production workers and 62 office staff. There were 65 male employees (18.7 %) and 282 female employees (81.3 %). The ethnic background of all management and production workers was mainland Chinese and 83.5 % workers were from other China provinces such as Guizhou, Hubei province etc. All workers were recruited directly by the factory.</p> <p>According to management team and provided attendance records, all workers worked in 1 shift, the normal working hours (excluding overtime work) were from 8:00am to 5:30pm with 1.5 hours of lunch-time break from 12:00noon to 1:30pm. The normal work week was 5 days from Monday to Friday. Wages were calculated on hourly rated basis. According to management, the peak season or non-peak season was not obvious. And there was no organized union established in the factory. No labour union was established in the factory.</p> <p>No tin shed was found in the factory.</p> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Production building was in good conditions.</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: N/A</p> | | |
| G: Site function: | <input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor | | |

| | |
|---|---|
| H: Month(s) of peak season: (if applicable) | No obvious |
| I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used) | The factory specialized in the manufacturing of Shopping Bags. The main production processes included: cutting, sewing, inspection and packing etc. The main equipment included: cutting machines, sewing machines etc. |
| J: What form of worker representation / union is there on site? | <input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None |
| K: Is there any night production work at the site? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| L: Are there any on site provided worker accommodation buildings e.g. dormitories | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. of workers in on site accommodation N/A |
| 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/A |
| N: Were all site-provided accommodation buildings included in this audit | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details N/A |

| Audit Parameter | | | |
|--|---|--|---|
| A: Time in and time out | A1: Day 1 Time in: 9:00 A2: Day 1 Time out: 17:00 | A3: Day 2 Time in: 9:03 A4: Day 2 Time out: 11:50 | A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A |
| B: Number of auditor days used: | 2 auditors in 2.5 days | | |
| C: Audit type: | <input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define | | |
| D: Was the audit announced? | <input type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input checked="" 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? SAQ was not available before or during this assessment. | | |
| 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 N/A | | |
| G: Who signed and agreed CAPR (Name and job title) | [REDACTED] / Manager | | |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| I: Previous audit date: | N/A | | |
| J: Previous audit type: | N/A | | |
| K: Were any previous audits reviewed for this audit | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | | |
| Audit attendance | | Management | Worker Representatives |

| | Senior management | Worker Committee representatives | Union representatives |
|--|---|---|---|
| A: Present at the opening meeting? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: Present at the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Present at the closing meeting? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present) | N/A | | |
| E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present) | No organised labor union was established in the factory. | | |

Worker Analysis

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

| Worker Analysis | | | | | | | | |
|--|-----------|-----------|--------|-----------|-----------|--------|-------------|-------|
| | ocal | | | Migrant | | | | Total |
| | Permanent | Temporary | Agency | Permanent | Temporary | Agency | ome workers | |
| Worker numbers – Male | 22 | 0 | 0 | 23 | 0 | 0 | 0 | 45 |
| Worker numbers – female | 25 | 0 | 0 | 215 | 0 | 0 | 0 | 240 |
| Total | 47 | 0 | 0 | 238 | 0 | 0 | 0 | 285 |
| Number of Workers interviewed – male | 3 | 0 | 0 | 5 | 0 | 0 | 0 | 8 |
| Number of Workers interviewed – female | 2 | 0 | 0 | 16 | 0 | 0 | 0 | 18 |
| Total – interviewed sample size | 5 | 0 | 0 | 21 | 0 | 0 | 0 | 26 |



| | | |
|---|--|---|
| A: Nationality of Management | China | |
| B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i> | Nationalities: B1: Nationality 1: China B2: Nationality 2: N/A B3: Nationality 3: N/A | Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe how this may vary during peak periods: N/A due to the peak season was not obvious. |
| C: Please provide more information for the three most common nationalities. | C: approx total workforce: Nationality 1 100 C1: approx total workforce: Nationality 2 0 C2: approx total workforce: Nationality 3 0 | |
| D: Worker remuneration (management information) | D: workers on piece rate D1: 100 hourly paid workers D2: salaried workers Payment cycle: D3: daily paid D4: weekly paid D5: 100 monthly paid D6: other D7: If other, please give details | |



| 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 BP, please state within the declaration)</i> | 4 groups of 5 | |
| D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i> | D1: Male: 2 | D2: Female: 4 |
| E: All groups of workers are included in the scope of this audit such as: Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 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 comment from workers. | |
| I: What did the workers like the most about working at this site? | Monthly wage could be paid on time and workers could easily leave even during working day. | |
| J: Any additional comment(s) regarding interviews: | Nil | |
| K: Attitude of workers to hours worked: | The workers wished the factory could afford more overtime hours. | |
| 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

26 workers (8 males and 18 females) were selected from workshop for selected from different departments: cutting, sewing, inspection and packing etc.. Of 26 workers were interviewed, 6 were interviewed individually in factory workshops and 20 workers were interviewed in 5 groups in a meeting room with the intent of making them more comfortable. The information gathered from these interviewees was consistent with the documentation provided by the management. In general, all interviewed workers expressed their positive attitude to management and the workplace. They all claimed to be satisfied with the working condition in this factory.

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

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

The workers representative attended the whole assessment process. They were open to assessors. They stated that they were elected by workers. Workers could raise suggestion or complaint through workers representative. They would participate in grievance solution.

O: Attitude of managers:

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

Factory management were cooperative with ELEVATE staff and provided full access to the whole facility. Management provided required documents and records in time, accompanied assessors with factory tour and helped select workers for interviews. Management staff attended the closing meeting, confirmed all the findings and signed on the CAPR without any argument.

Audit Results by Clause

A: ni er a Rig t co ering NGP

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

.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 y tem and idence amined

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 established written policy and procedures to meet the human rights and labour standards required by local law and customers. [REDACTED] / Ad inistration Manager was responsible for compliance with the human rights to all appropriate parties, including its own suppliers through trainings, handbooks and postings at the facility.

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

Details:

The written policy including human rights.

Appointment book of person responsible for implementing standards concerning Human rights

Factory rules

Social compliance management handbook

Training records of human rights

Employee interview, employees could raise the human rights issues by suggestion box confidentially or call the hotline to the HR Manager who was responsible for implementing standards concerning Human rights directly.

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: the factory had a policy statement that express commitment to respect human rights |
| B: Does the business have a designated person responsible for implementing standards concerning Human Rights? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: [REDACTED] Job title: Administration 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 factory had established a transparent system for confidentially reporting. |
| 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: the effective data privacy had posted in the workshop for workers review |

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

Good examples observed:

Description of Good Example (GE):
None observed

Objective Evidence
Observed:
N/A

Measuring Workplace mpact

| 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: 3 | A2: This year 3 |
| B: Current quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / (number of employees on the 1 st day of 90 day period - number of employees on the last day of the 90 day period) / 2 | 3 | |
| C: Annual absenteeism: Number of days lost through job absence in the year / (number of employees on 1 st day of the year number employees on the last day of the year) / 2 number available workdays in the year | C1: Last year: 1 | C2: This year 1 |
| 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 | 1 | |
| E: Are accidents recorded? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: | |
| F: Annual Number of work related accidents and injuries per 100 workers: (Number of work related accidents and injuries - 100) / Number of total worke rs | 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 |

B: Management y tem and Code Imp ementation

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

- 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 y tem and idence amined

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 established written policy and procedures to meet the Code and labour standards required by local law and customers. [REDACTED] / Administration Manager was responsible for compliance with the Code implementation and the Code was communicated to all employees through trainings, handbooks and postings at the facility.

Evidence examined – to support system description (Documents examined relevant comments, nclude renewal expiry date where appropriate):

Details:

Employee Handbook
 Business license
 Factory Manual contains details of Code and labour standards required by local law and customers.
 Training records of social compliance on March 30, 2021

Any other comments:

Nil

Management Systems:

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

- ☐ Yes
☒ No

A1: Please give details: No any fines/prosecutions for non-compliance to any regulations for 12 months.

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

- ☒ Yes
☐ No

B1: Please give details: Factory established a policies and procedures that reduce the risk of

| | |
|---|---|
| | forced labour, child labour, discrimination harassment & abuse. |
| C: If Yes, is there evidence (an indication) of effective implementation? Please give details. | Factory had established written policy to prohibit forced labour, child labour, discrimination, harassment & abuse. Furthermore, factory established investigation and grievance procedures to solve if any above issue occurred. |
| 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: Management and workers received training on the policy and procedure. |
| 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: Management and workers received training on the policy and procedure of prohibit forced labour, child labour, discrimination, harassment & abuse once per year, with training records kept in place. |
| 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: N/A |
| G: Is there a Human Resources manager/department? If Yes, please detail. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: There were 2 staff in HR department. |
| 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: [REDACTED] / Administration Manager was responsible for the implementation of the code. |
| I: Is there a policy to ensure all worker information is confidential? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: the factory established a policy to ensure all workers information confidential. |
| J: Is there an effective procedure to ensure confidential information is kept confidential? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: the factory established an effective procedure to ensure confidential information to keep confidential. |

| | |
|--|--|
| K: Are risk assessments conducted to evaluate policy and procedure effectiveness? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: the risk assessment document had provided for review. |
| 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 established the process |
| M: Does the facility have a policy/code which require labour standards of its own suppliers? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: the factory had the policy / code posted on the wall that require labour standards of its own suppliers. |
| and 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 facility had provided the valid land rights licenses such as house property permits for review. |
| O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: During management interview, the facility was aware of local and national and international laws and requirements with regards to Land Rights |
| P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The facility had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable. |
| Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: Nil |
| 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. No such situation happened in facility |
| 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: N/A. No such situation happened in facility |

| Non-compliance: | |
|---|--|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None observed ocal law and or ET re uirement: N/A Recommended corrective action: N/A | Ob ective evidence observed: <i>(where relevant please add photo numbers)</i> N/A |

| Observation: | |
|---|--|
| Description of observation: It was noted that no SAQ provided for review. ocal law or ET re uirement: N/A Comments: It is recommended that factory should complete the SAQ. | Ob ective evidence observed: Document review |

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective evidence observed: N/A |

Free y C o en mp oyment

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

ET

- 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 y tem and idence aminated

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 established hiring policy and hiring procedures in place. Factory Manager was familiar with local law regarding prison labour, deposit and wages deductions etc. Workers are not required to stay at the factory if they do not want to, and overtime is voluntary as well. No deposits or any original ID are required to be detained during employment. Resignation is free and wages are paid to resigned workers on time after reasonable notice (usually 30 days in advance).

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

Details:

The facility's policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice.

Labour contracts with notice periods

Training of forced, bonded or involuntary prison labour for all employees at the time employee, and re-fresh training was conducted once per year for all employees.

As per workers interview, it was noted that they are free to leave their working stations once their shifts end; all overtime workings were voluntary; and they are not required to pay any 'deposits' or leave their ID cards.

Any other comments:

Nil

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

B1: If yes, please give details and category of worker affected:

C: Is there any evidence of retention of wages /deposits

☐ Yes

☒ 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: Nil |
| E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: |
| F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: |
| G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: |
| H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Nil |

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

| | |
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| | |
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| Observation: | |
|--|--|
| Description of observation: None observed Local law or ET requirement: N/A Comments: N/A | Objective evidence observed: N/A |

| Good Examples observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective evidence observed: N/A |

Freedom of Association and Right to Collective Bargaining are Respected

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

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

ET

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 system 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 written policy on freedom of association, which states that workers are free to form any union or any form of other workers organization in the facility. Currently, there's no trade union was established in the factory, and also no collective bargain in the factory. A worker committee was available, the worker representatives (total 3 representatives) were selected by workers. All employees have the right to join worker committee and labour union. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. The workers could raise any issue or express their concerns through suggestion box. There was a relevant written policy / procedure documented in place. The meeting between with factory management and worker committee representatives was conducted every three months.

Evidence examined – to support system description (Documents examined relevant comments, include renewal expiry date where appropriate):

Details:

Written freedom of association procedure was established in the factory, which recognized and respected the right of employees to exercise their lawful right of free association.

Employee handbook stated that employees are free to form worker committee. Nobody will be treated differently whether they are members of worker committee.

The record from the suggestion box and what relevant actions have been taken was reviewed. Facility management commented that they collect the suggestions from the suggestion box and review them in the management meeting once a month. If agreed, they will take the relevant actions to improve. There were total 3 worker representatives elected in the factory. The last meeting records between facility management and worker committee representatives (conducted on March 30, 2021) were provided to review.

Any other comments:

Nil

| | | |
|---|---|--|
| A: What form of worker representation/union is there on site? | <input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None | |
| B: Is it a legal requirement to have a union? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| C: Is it a legal requirement to have a worker's committee? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. suggestion box, sexual harassment) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box or direct communication with General Manager 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 supplier had provided meeting room for the committee to conduct the related business. | |
| 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? | There was an EHS Worker Committee in place. | 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: March 30, 2021 |
| 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 out of 3 worker representatives was interviewed. | |
| L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting topics covered how minutes were communicated etc. | There was a meeting hold by worker committee. Workers representative participated in the grievance solution communication in March 30, 2021 | |

| | | |
|--|---|--|
| 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: workers covered by Union CBA N/A | M2: workers covered by worker rep CBA N/A |
| 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: | |
|---|--|
| 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 ET requirement: N/A Recommended corrective action: N/A | Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A |

| Observation: | |
|--|--|
| Description of observation: None observed Local law or ET requirement: N/A Comments: N/A | Objective evidence observed: N/A |

| Good example observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective evidence observed: N/A |

Working Conditions are safe and hygienic

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

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

ET

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

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

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

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current system 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 generally provided an adequate work environment and maintains a comfortable temperature throughout. The electrical system was in a good condition. The factory posted the evacuation plans at work floors, which indicates escape routes. Exit signs were installed. The facility has provided enough fire extinguishers in all working sections. A functional fire alarm system can be found in the facility. The facility's policy and procedures were communicated through the notice board in the local language. Drinking water was provided and installed in workshops. Sufficient and proper supplies/items were stocked in all of the first aid kits. However, some health and safety findings were still noted.

Evidence examined – to support system description (Documents examined relevant comments, include renewal expiry date where appropriate):

Details:

- Fire-fighting equipment inspection and maintenance records
- Fire safety approval/registration
- Construction safety approval
- Chemical safety training, Chemical list and MSDS for each chemical
- PPE training
- Workplace occupational hazards factor testing report
- License for special operation
- Registration of special equipment
- Inspection certificate of special equipment
- Certificate of special equipment operator
- Fire drill records
- First aid certificates
- Drinking water testing report
- Interviews with EHS manager

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 factory had established the general Health & Safety and occupational Health & Safety policies and procedures, and they posted on the workshop for workers review. |
| B: Are the policies included in workers' manuals? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: the workers' manual had included the relate 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: Nil |
| 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: the visitors need to wear the PPE, such as earplugs when come into some workshops. |
| 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: Nil |
| F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: First aider was available in the factory. |
| 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: N/A, no worker transport provided. |
| H: Is secure personal storage space provided for workers in their living space and is fit for purpose? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal storage space was provided for workers in the dormitory room. |
| 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: the factory had made the H&S risk assessment to evaluating the arrangements for workers doing overtime. |
| 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: As per document review, the facility had obtained the EIA report/approval and EPCA. |

| | |
|--|---|
| <p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>K1: Please give details: As per document review, the facility had established hazardous substance management procedure and chemical management procedure to control the risks of chemicals and hazardous substances. The evaluation and approval for new purchase chemicals was established in the facility. The suppliers should submit the MSDS, third party testing report to indicating no hazardous substance included before selected as qualified suppliers. These suppliers also should sign declaration for no hazardous substance included. Annual audits were also conducted for the suppliers. The facility had established the hazardous and non-hazardous waste inventory and was reviewed annually. They had conducted regular training for workers responsible for hazardous waste handling and disposal. As per factory management, they had set the hazardous waste minimization plan annually.</p> |
|--|---|

Non-compliance:

1. Description of non-compliance:

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

It was noted that the factory had provided the personal protective equipment such as ear-plugs to the workers from cutting workshop on the 2F of the production building, however, 1 out of 5 randomly selected workers did not use the ear-plugs properly.

Local law and or ET requirement:

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

Recommended corrective action:

It is recommended that the factory should supervise and train employees to properly wear and use the personal protective equipment. Factory shall develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.

2. Description of non-compliance:

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

It was noted that safety eye-shields were installed to 10 randomly selected high posted-sewing machines on the 3F of the production building, however, 4 workers did not use the safety eye-shields properly.

Local law and or ET requirement:

In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.

1. Objective evidence observed:

(where relevant please add photo numbers)
Factory tour
Refer to Photo Form 15

2. Objective evidence observed:

(where relevant please add photo numbers)
Factory tour
Refer to Photo Form 16

Recommended corrective action:

It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection equip safety eye-shields to all high posed sewing machines to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts

Observation:
Description of observation:

None

ocal law or ET re uirement:

N/A

Recommended corrective action:

N/A

Ob ective evidence
observed:

N/A

Good Examples observed:
Description of Good Example (GE):

None

Ob ective Evidence
Observed:

N/A

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ET

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 y tem and idence amined

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 would verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in the personnel files. All employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth. Hiring procedure and related protection policy of young workers were also kept in place. No child labour or juvenile worker was working at the factory currently.

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

Details:

Personal file

Roster of employees

Management and employee interview

Any other comments:

Nil

| | |
|--|--|
| A: Legal age of employment: | 16 years old |
| B: Age of youngest worker found: | 19 years old |
| C: Are there children present on the work floor but not working at the time of audit? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: of under 18's at this site (of total workers) | 0 |
| E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety) | <input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A |

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| 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 ocal law and or ET re uirement: N/A Recommended corrective action: N/A | Ob ective evidence observed: <i>(where relevant please add photo numbers)</i> N/A |

| Observation: | |
|--|--|
| Description of observation: None ocal law or ET re uirement: N/A Comments: N/A | Ob ective evidence observed: N/A |

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective Evidence Observed: N/A |

: Li Ing Wage are Paid[\(Click here to return to summary of findings\)](#)[\(Click here to return to key information\)](#)**ET**

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 y tem and idence amined

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:

Written wage & benefits policy (involved relevant local law regarding MW, OT wage and social insurance policy, paid annual leave, sick leave etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labour contracts, factory rules (covered disciplinary measures policy / deductions from wages) posting and training etc.

During this assessment, 12 months (from May 2020 to April 2021) of payroll records were provided for review. A sampling of these provided records for the months of April 2021 (the most current paid month), March 2021 (random month) and December 2020 (random month) were reviewed. As per factory management and provided payrolls, wages for all workers were calculated on monthly rated basis and were paid at the end of each month by bank transfer. The workers earned a monthly take-home wage of RMB 3880 to RMB 7669 with the average RMB 5443. The paid hourly wages were RMB 10.34, which was equal to the local legal minimum wage standard of RMB 10.34 per hour (Remark: The local minimum wage was updated to RMB 10.34 per hour since January 1, 2020). 150 , 200 and 300 of employee's normal rate was paid for overtime on normal working days, rest days and official public holidays respectively. The gap between reported wages and legal requirements was nil and the estimate percentage of workers being paid below the minimum wage was nil. For social insurance, a total of 347 employees were eligible to receive five types of social insurances in June 2021 according to the law. However, through review of social insurance enrolment list, only 347 employees were enrolled in pension insurance, unemployment insurance, medical insurance and child-bearing insurance and occupational injury insurance. (Remark: The factory did not provide commercial group accident injury insurance to workers). A wage slip detailing: basic wage, working days, OT hours, overtime wage, allowance, bonus, deductions etc., was provided to each worker.

Evidence examined – to support system description (Documents examined relevant comments, nclude renewal expiry date where appropriate):

Details:

- Employee handbook
- Wages and benefits policy
- Annual leave records
- Resigned workers payroll records
- Past 12 months' payroll and 14 months' time records
- Social insurance and payment receipts

Any other comments:
 Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer

code:

None

Local law and/or ET requirement:

N/A

Recommended corrective action:

N/A

Objective evidence

observed:

(where relevant please
 add photo numbers)

N/A

Observation:

Description of observation:

None

Local law or ET requirement:

N/A

Comments:

N/A

Objective evidence

observed:

N/A

Good Examples observed:

Description of Good Example (GE):

None

Objective Evidence

Observed:

N/A

Summary information

| Criteria | Local law (Please state legal requirement) | Actual at the Site (Record site results against the law) | Is this part of a Collective Bargaining Agreement |
|---|---|--|---|
| A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month) | Legal maximum: 8 hours per day and 40 hours per week | A1: 8 hours per day and 40 hours per week | A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| | | | |
|---|---|--|---|
| B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month) | Legal maximum: 3 hours per day and 36 hours per month | B1: 2 hours per day and 57 hours per month | B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month) | Legal minimum: RMB 1800 per month / RMB 79.08 per day / RMB 10.34 per hour Since January 1 st , 2020 | C1: RMB 10.34 per hour | C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month) | Legal minimum: 150 , 200 and 300 of employee normal rate for overtime on normal workdays, rest days and official public holidays respectively | D1: 150 , 200 and 300 of employee normal rate for overtime on normal workdays, rest days and official public holidays respectively | D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Wage anay i :

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

| | |
|--|--|
| 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 uidance and Measurement Criteria) | 26 samples from A ri 2021 (the most current paid month) 26 samples from March 2021 (random month) 26 samples from December 2020 (Random month) |
| C: Are there different legal minimum wage grades? If Yes , please specify all. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 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 |
| 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 type="checkbox"/> Meet <input checked="" type="checkbox"/> Above |
| E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. RMB 10.34 per hour, total RMB 3880 per month in December 2020. | |

| | | | |
|---|---|---|----------------------|
| | | | |
| F: Please indicate the breakdown of workforce per earnings: | F1: of workforce earning under minimum wage F2: 100 of workforce earning minimum wage F3: of workforce earning above minimum wage | | |
| G: Bonus Scheme found: Please specify details: | Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Nil | | |
| H: What deductions are required by law e.g. social insurance? Please state all types: | Social insurance and income tax etc. | | |
| I: Have these deductions been made? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | I1: Please list all deductions that have been made. | 1. Social insurance |
| | | I2: Please list all deductions that have not been made. | Please describe: N/A |
| 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: Nil | | |
| M: Is there a defined living wage: 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. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: Nil | | |
| M2: If yes, what was the calculation method used. | <input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation | | |

| | |
|---|--|
| | Other – please give details: N/A |
| N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income). | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: Nil |
| O: Are workers paid in a timely manner in line with local law? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| P: Is there evidence that equal rates are being paid for equal work: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work. |
| Q: How are workers paid: | <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain: |

Working hours are not acceptable

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

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

T1

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 8 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 1.5 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 system 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:

Written working hours policy (involved relevant local law regarding normal, OT hours and OT wage rate etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labour contracts, factory rules (covered voluntary overtime policy, special terms for young workers / pregnant women / nursing mothers etc.) posting and training etc. The factory had a system for monitoring and managing working hours.

During this assessment, the factory provided 14 months' attendance records (from May 1st, 2020 to June 25th, 2021) for assessor's review. A sampling of these provided records for the months of April 2021 (the most current paid month), March 2021 (random month) and December 2020 (random month) were reviewed. As per provided time attendance records, workers' working hours were regular from 8 to 10 hours a day, 54-56 hours a week, with the average being 55 hours per week. The most continuous working days without rest were 6 days, while the average continuous working days without rest were 6 days. No OT extension waiver approval was obtained by the factory.

Evidence examined – to support system description (Documents examined relevant comments, include renewal expiry date where appropriate):

Details:

- Employee handbook
- Wages and benefits policy
- Annual leave records
- Resigned workers time records
- Past 12 months payroll and 14 months' time records
- Production records

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that the monthly overtime hours of 26 out of 26 randomly selected workers exceeded 36 hours in April 2021 with the highest of 52 hours; 26 out of 26 exceeded 36 hours in March 2021 with the highest of 51.5 hours; 26 out of 26 exceeded 36 hours in December 2020 with the highest of 57 hours; no workers had worked more than 3 overtime hours per day.

Local law and or ET requirement:

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

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

Recommended corrective action:

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

Objective evidence observed:

(where relevant please add photo numbers)

Document review, management & workers interview

| Observation: | |
|--|--|
| Description of observation: None ocal law or ET re uirement: N/A Comments: N/A | Ob ective evidence observed: N/A |

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective Evidence Observed: N/A |

| 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 and face scanner | | |
| 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 ES, please complete as appropriate: | |
| | | <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other | |
| | | If "Other", Please define: | |
| | | | |

| | | |
|--|--|---|
| E: Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | E1: If es, 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): |
| | | 6 days |
| Standard Contracted ours 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: |
| | | N/A |
| H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | H1: If yes, please give details: |
| | | N/A |
| Overtime ours worked | | |
| I: Actual overtime hours worked in sample (State per day/week/month) | Highest OT hours: 57 hours per month / 16 hours per week / 2 hours per day | |
| J: Combined hours (standard or contracted overtime hours total) over 60 found? Please give details: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 56 hours 40 standard hours 16 overtime hours | |
| K: Approximate percentage of total workers on highest overtime hours: | 0 | |

| | | |
|---|---|--|
| L: Is overtime voluntary? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information | I: Please detail evidence e.g. wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Factory policy stated 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 normal rate for overtime hours on normal working days; 200 % of normal rate for overtime hours on Saturday and Sunday; 300 % of normal rate for public holidays. |
| N: Is overtime paid at a premium? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | N1: If yes, please describe % of workers frequency: 100 % workers and 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 | |
| | O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other | |
| | N/A | |
| P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. | <input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60 hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) | |
| | 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.

☐ Yes
☒ No

: No Discrimination | Practiced

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

ET

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 system 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 written policy on anti-discrimination as well as policy on compensation, promotion and training etc.

New staff hiring policy and advertise indicates that no pregnancy or health check (HIV testing, HB check) was required.

Gender and ethnic balance between workers and middle management is proper. There's grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination.

Evidence examined – to support system description (Documents examined relevant comments, include renewal expiry date where appropriate):

Details:

Factory policy, hiring procedure
Employee handbook,
Payrolls, training records
Contracts, termination records

Any other comments:

Nil

| | |
|--|---|
| A: Gender breakdown of Management Supervisors (include as one combined group) | A1: Male: 32 A2: Female 68 |
| B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst: | 80 female workers were skilled workers. |
| C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?: | <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input type="checkbox"/> No evidence of discrimination found C1: Please give details: N/A |

Professional Development

A: What type of training and development are available for workers?

Technical training etc.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?

☒ Yes
☐ No

If no, please give details: N/A

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer

code:

None

ocal law and or ET re uirement:

N/A

Recommended corrective action:

N/A

Ob ective evidence observed:

(where relevant please add photo numbers)

N/A

Observation:

Description of observation:

None

ocal law or ET re uirement:

N/A

Comments:

N/A

Ob ective evidence observed:

N/A

Good Examples observed:

Description of Good Example (GE):

None

Ob ective Evidence Observed:

N/A

| | |
|--|--|
| | |
|--|--|

: Regular employment | Provided

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

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ET

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 system 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:

Work performed was on the basis of recognized employment relationship established through national law and normal practice. The factory never used any home-workers or agency workers. No apprentice or temporary worker was working in the factory. The factory signs labour contracts with employees within 30 days since employment, and all workers can have their own a copy of the contract and pay slip. HR staff was aware of local law concerning above worker pattern.

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

Details:

- Factory policy, employee handbook
- Labour contract
- Hiring and termination records
- Personal files
- Management and workers interview

Any other comments:

Nil

| 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 Local law and or ET requirement: N/A Recommended corrective action: N/A | Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A |

| Observation: | |
|---|--|
| Description of observation: None Local law or ET requirement: N/A Comments: N/A | Objective evidence observed: N/A |

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

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

| | |
|-----------------------------------|--|
| purpose of recruitment/placement? | 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 processes undertaken by migrant workers. |
| 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: C2: Observations: N/A |
| D: Are Any migrant workers in skilled, technical, or management roles Migrant orkers (this should include all migrant workers including permanent | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 90 migrant workers in skilled, technical, or management roles. |

workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

| Recruitment fees: | |
|----------------------------------|--|
| A: Are there any fees? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: If yes, check all that apply: | <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: N/A |
| 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, no agency worker was used in the factory. |
| B: Were agency workers' age / pay / hours included within the scope of this audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A |
| C: Were sufficient documents for agency workers available for review? | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A |

| | |
|---|---|
| D: Is there a legal contract / agreement with all agencies? | <input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: N/A |
| 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 checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details: |
| 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 |

A: u Contracting and omewor ing

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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, ow 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 y tem and idence aminated

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 customer policy on sub-contracting, homeworking and external processing, as well as written policy and procedure in place to control sub-contracting and homeworking.

The factory posted customers' Code of Conduct in the facility. Through site tour, documents review and management & workers interview, no sub-contracting and homeworking was being used currently.

Evidence examined – to support system description (Documents examined relevant comments, nclude renewal expiry date where appropriate):

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

N/A

Details:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ET/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None

ocal law and or ET Additional Elements re uirement:

N/A

Recommended corrective action:

N/A

Ob ective evidence observed:

(where relevant please add photo numbers)

N/A

| Observation: | |
|--|--|
| Description of observation: None ocal law or ET Additional elements re uirement: N/A Comments: N/A | Ob ective evidence observed: N/A |

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective Evidence Observed: N/A |

| Summary of sub-contracting i applica e | |
|---|---|
| <input checked="" type="checkbox"/> Not Applicable please x | |
| A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting | <input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: N/A, no sub-contracting is used. |
| B: If sub-contractors are used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details: 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 i applica e | |
|--|--|
| <input checked="" type="checkbox"/> Not Applicable please x | |
| A: If homeworking is being used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes, summarise details: N/A, no homeworking was used. |

| | | | |
|---|--|--|--------|
| 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 | 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 N r r Tr A d
(C lc ere to return to ummary o linding)

ET

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: Hotline and suggestion box had posted on the workshop. |
| B: If Yes , are workers aware of these channels and have access? Please give details. | The factory management had made the training to workers and posted the hotline and suggestion box on the workshop. |
| C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details. | Suggestion box |
| D: Which of the following groups is there a grievance mechanism in place for? | <input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: All employees said they could use suggestion box to report violations of Labour standards and H&S. |
| E: Are there any open disputes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details |
| 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 |
| G: Is there a published and transparent disciplinary procedure? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain |
| 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 |

I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?

☐ Yes
☒ No

II: If yes, please give details

Current system 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 established an anti-harsh or inhumane treatment policy. The policy states 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 in this facility.

The disciplinary procedure only includes oral warning, written warning and education, with which was confirmed through workers interview

The factory has established grievance mechanism with non-retaliation policy and allows workers to report issues anonymously. Related training records and grievance records / documented evidence were maintained in place.

Security practices were humane and comply with customers' expectation.

Evidence examined – to support system description (Documents examined relevant comments, include renewal expiry date where appropriate):

Details:

Policy of prevention of harassment and abuse.
Internal grievance procedure documentation.
Training records
Employee interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer

code:

None

ocal law and or ET re uirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

(where relevant please add photo numbers)

N/A

| Observation: | |
|--|--|
| Description of observation: None ocal law or ET re uirement: N/A Comments: N/A | Ob ective evidence observed: N/A |

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective Evidence Observed: N/A |

Other Issue area : Additional Elements 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 system 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 did not have any policy on foreign migrant worker or agency worker in place and did not use agency worker.

Factory management knows little about related law regarding agency worker.

Evidence examined – to support system description (Documents examined relevant comments, include renewal expiry date where appropriate):

Details:

- Hiring procedure
- Personnel files
- Employee handbook
- 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

Local law and/or ETI Additional Elements requirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

(where relevant please add photo numbers)

N/A

| Observation: | |
|--|--|
| Description of observation: None ocal law or ET Additional Elements re uirement: N/A Comments: N/A | Ob ective evidence observed: N/A |

| Good examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective Evidence Observed: N/A |

| Other i ue area B : n ironment Pi ar (Click here to return to summary of findings) To be completed for a –Pillar SMETA Audit, and remove the following page which is 10B environment 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. <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i> | |

| Current y tem and idence aminated 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 site has written policy in place concerning environment issue (including hazardous waste disposal handling procedures), and the responsible management staff was aware of local laws / regulations governing environment, keeps the law up to date. The factory has got the environmental impact assessment documents and approved by authorized environmental protection department. No pollution observed in the factory. | |
| Evidence examined – to support system description (Documents examined relevant comments. nclude renewal expiry date where appropriate): Details: <ul style="list-style-type: none"> Environmental impact report Environmental project completion acceptance report Pollutant discharge permit Hazardous waste disposal records | |

- Factory management interview
- Worker and management interview
- Factory tour

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

None

ocal law and or ET Additional Elements re uirement:

N/A

Recommended corrective action:

N/A

Ob ective evidence
observed:

(where relevant please
add photo numbers)

N/A

Observation:

Description of observation:

None

ocal law or ET Additional elements re uirements:

N/A

Comments:

N/A

Ob ective evidence
observed:

N/A

Good examples observed:

Description of Good Example (GE):

None

Ob ective Evidence
Observed:

N/A

Other issue area B : n ironment Pi ar

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

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

B.4. Compliance Re uirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

Note for auditors and readers. This environment section is intended to take not more than 0.5 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current y tem and idence aminated

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 site has written policy in place concerning environment issue (including hazardous waste disposal handling procedures), and the responsible management staff was aware of local laws / regulations governing environment, keeps the law up to date.

The factory has got the environmental impact assessment documents and approved by authorized environmental protection department. No pollution observed in the factory.

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

Details:

- Environmental impact report
- Environmental project completion acceptance report
- Pollutant discharge permit

- Hazardous waste disposal records
- Factory management interview
- Worker and management interview
- Factory tour

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

None

ocal law and or ET Additional Elements re uirement:

N/A

Recommended corrective action:

N/A

Ob ective evidence observed:

(where relevant please add photo numbers)

N/A

Observation:

Description of observation:

None

ocal law or ET Additional elements re uirements:

N/A

Comments:

N/A

Ob ective evidence observed:

N/A

Good examples observed:

Description of Good Example (GE):

None

Ob ective Evidence Observed:

N/A

| Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i> | |
|---|--|
| A: Is there a manager responsible for Environmental issues (Name and Position): | / Manager |
| B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Factory had a risk assessment on the environmental impact of the site. |
| C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Nil |
| D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, the environmental policy was publicly available. |
| E: If yes, does it address the key impacts from their operations and their commitment to improvement? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Noise and dust. |
| F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No such sustainability systems. |
| H: Have all legally required permits been shown? Please give details. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility maintains the EIA report, approval and inspection and acceptance report of completed environmental protection facilities. |
| I: Is there a documentation process to record hazardous chemicals used in the manufacturing process? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: There was a process to record hazardous chemicals used. |
| J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Factory had environment policy and risk assessment. |
| K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had a continuous improvement plan for reducing environmental aspects. The factory had an annual |

| | | |
|---|--|---|
| | reduction target for natural resources use and discharge. | |
| L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory classified the wastes and verified the wastes which could be recycled during daily work. The records for recycling were kept. | |
| M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The records for consumption of key utilities of water, energy and natural resources were maintained in the factory. The responsible manager would measure and monitor the records and adjust the policy or procedures if needed. | |
| N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory had checked the suppliers' relevant environmental licenses and their environmental police before conducting business. | |
| age Di c arge ana y i | | |
| Criteria | Previous year: Please state period: From January 2020 to December 2020. | Current Year: Please state period: 2021 (In anticipation) |
| Electricity Usage: w/hrs | 378096 | 150000 |
| Renewable Energy Usage: w/hrs | 0 | 0 |
| Gas Usage: w/hrs | 0 | 0 |
| Has site completed any carbon Footprint Analysis? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If Yes , please state result | N/A | N/A |
| Water Sources: Please list all sources e.g. lake, river, and local water authority. | Local water authority | Local water authority |
| Water Volume Used: (m) | 5400 | 2300 |
| Water Discharged: Please list all receiving waters/recipients. | City pipe network | City pipe network |
| Water Volume Discharged: (m) | 102 | 35 |

| | | |
|--|-------------------|------------------|
| Water Volume Recycled: (m) | 0 | 0 |
| Total waste Produced (please state units) | 5.0T | 2.8T |
| Total hazardous waste Produced: (please state units) | 0.6T | 0.3T |
| Waste to Recycling: (please state units) | 0 | 0 |
| Waste to Landfill: (please state units) | 5.0T | 2.8T |
| Waste to other: (please give details and state units) | 0 | 0 |
| Total Product Produced (please state units) | 30,000,000 pieces | 1,200,000 pieces |

C: Business Ethics Pillar Audit
[\(Click here to return to summary of findings\)](#)
 To be completed for a –Pillar SMETA Audit

1 C. Compliance Requirements

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

1 C. Guidance for Observations

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

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

Current system 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 established procedures against any act of corruption and the risk assessment of this part was conducted.

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

Details:

- Factory tour
- Management interview
- Policy review
- Worker and management interview

Any other comments:

Nil

| Non-compliance: | |
|---|--|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ET/Additional Elements <input type="checkbox"/> NC against customer code: None ocal law and or ET Additional Elements re uirement: N/A Recommended corrective action: N/A | Ob ective evidence observed: <i>(where relevant please add photo numbers)</i> N/A |

| Observation | |
|--|--|
| Description of observation: None ocal law or ET Additional elements re uirement: N/A Comments: N/A | Ob ective evidence observed: N/A |

| Good examples observed: | |
|--|--|
| Description of Good Example (GE): None | Ob ective Evidence Observed: N/A |

| | |
|---|--|
| A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate? | <input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers A1: Please give details: The factory had established Business Ethics policy. |
| B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Related trainings were given to relevant personnel. |

| | |
|---|---|
| C: Is the policy updated on a regular (as needed) basis? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory review and updated the policy annually. And the most updated version would be provided the relevant parties again. |
| D: Does the site require third parties including suppliers to complete their own business ethics training | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory required the responsible managers of their suppliers to be trained on business ethics. |

Other findings

Other findings Outside the Scope of the Code

None

Community Benefits

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







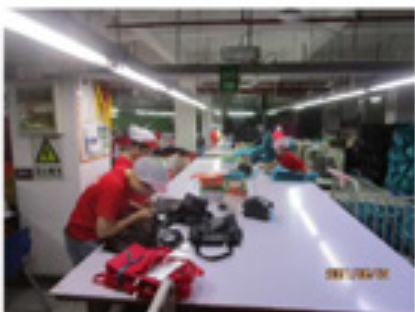


None

Appendix 1

Comparison between TI code and Customer Supplier Code Any area where a site complies with the Customer Supplier Code but not with the TI code are discussed at the audit close out meeting and recorded on the CAPR Note to Supplier "or the Customer it may not be necessary to complete corrective action where NC DO NOT meet the TI code but DO meet your customer code if the audit is closed without the Customer working to the TI code or an equivalent international standard corrective action will be necessary"

☒ Not Applicable please x

Photo orm

| | | |
|---|--|---|
|  |  |  |
| 1. Factory name | 2. Factory gate | 3. Factory building |
|  |  |  |
| 4. Materials warehouse | 5. Cutting section | 6. Sewing section |
|  |  |  |
| 7. Inspection and packing section | 8. Finished goods warehouse | 9. Attendance system |

| | | |
|---|--|---|
|  |  |  |
| 10.Fire alarm | 11. Exit door | 12.Fire extinguishers |
|  |  |  |
| 13. Sprinkler system and smoke detector | 14. First aid kits | 15. NC1: Worker did not use earplugs |
|  | NA | NA |
| 16. NC2: Worker did not use needle guards correctly | NA | NA |



For more information visit [Sedex.org.uk](https://www.sedex.org.uk)

Our record on our experience of the SMETA audit shows we observed the relevant value chain help to achieve improvement to the environment

Our can leave record on the appropriate line to our questionnaire

[Click here for Supplier \(A\) Supplier \(A\) Questionnaire](#)

<https://www.surveymonkey.com/s.aspx?sm=ri-s-E0-52e-Co-n-S-d-d>

[Click here for Supplier \(\) Questionnaire](#)

<https://www.surveymonkey.com/s.aspx?sm=d-sCe4-fre69DR-2-r-d-d>

[Click here for Auditor](#)

<https://www.surveymonkey.co.uk/r/BRT-C-P>




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



| Audit Details | | | |
|--|--|---|--|
| Sedex Company Reference: (only available on Sedex System) | ZC: [REDACTED] | Sedex Site Reference: (only available on Sedex System) | ZS: [REDACTED] |
| Business name (Company name): | [REDACTED] Co., Ltd | | |
| Site name: | [REDACTED] Co., Ltd | | |
| Site address: (Please include full address) | [REDACTED] Fujian Province and China [REDACTED] [REDACTED] | | Country: China |
| Site contact and job title: | [REDACTED] / 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 checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics |
| Date of Audit: | June 24&25, 2021 | | |

| | |
|---|--|
| Audit Company Name & Logo: ELEVATE  | Report Owner (payer): <i>(if paid for by the customer of the site please remove for Sedex upload)</i> [REDACTED] Co., Ltd |
|---|--|

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

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Rony Le

Team auditor: Johnny Chen

Interviewers: Johnny Chen

Report writer: Rony Le

Report reviewer: Prakash Suryawanshi

Date of declaration: June 24&25, 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.

Audit Parameters

| Audit Parameters | | | |
|--|--|--|---|
| A: Time in and time out | Day 1 Time in: 9:00 Day 1 Time out: 17:00 | Day 2 Time in: 9:03 Day 2 Time out: 11:50 | Day 3 Time in: N/A Day 3 Time out: N/A |
| B: Number of auditor days used: | 2 auditors in 2.5 days | | |
| C: Audit type: | <input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define: | | |
| D: Was the audit announced? | <input type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input checked="" type="checkbox"/> Unannounced | | |
| E: Was the Sedex SAQ available for review? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not SAQ was not available before or during this assessment. | | |
| 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 N/A | | |
| G: Who signed and agreed CAPR (Name and job title) | [REDACTED] / Manager | | |
| H: Is further information available (if yes, please contact audit company for details) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| I: Previous audit date: | N/A | | |
| J: Previous audit type: | N/A | | |
| K: Were any previous audits reviewed for this audit | <input type="checkbox"/> Yes <input type="checkbox"/> No 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 (only complete if no worker reps present) | N/A | | |
| E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present) | No organised labor union was established in the factory. | | |

Guidance

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)


Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.



See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Corrective Action Plan

| Corrective Action Plan – non-compliances | | | | | | | | | |
|--|--|--|---|---|---|---|--|--|---|
| Non-Compliance Number <i>the reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i> | New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i> | Details of Non-Compliance <i>Details of Non-Compliance</i> | Root cause <i>(completed by the site)</i> | Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i> | Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i> | Verification Method <i>Desktop / Follow-Up [D/F]</i> | Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i> | Verification Evidence and Comments <i>Details on corrective action evidence</i> | Status <i>Open/Closed or comment</i> |
| Safety and Hygienic Conditions 01 | New | It was noted that the factory had provided the personal protective equipment such as ear-plugs to the workers from cutting workshop on the 2F of the production building, however, 1 out of 5 randomly selected workers did not use the ear-plugs properly. 在此次审核中, 审核员发现工厂给工人提供了个人劳动防护用品如耳塞, 但 1 名裁床工人没有正确的佩戴。 | <input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details: | It is recommended that the factory should supervise and train employees to properly wear and use the personal protective equipment. Factory shall develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury. | 30 days | Desktop |  Manager | | |

| | | | | | | | | | |
|-----------------------------------|-----|--|---|--|---------|-----------|---|--|--|
| Safety and Hygienic Conditions 02 | New | <p>It was noted that safety eye-shields were installed to 10 randomly selected high posted-sewing machines on the 3F of the production building, however, 4 workers did not use the safety eye-shields properly.</p> <p>在此次审核中，审核员发现生产楼3楼随机抽取的10台高头车均安装了护眼挡板，然而4名工人未正确使用。</p> | <input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details: | <p>It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection equip safety eye-shields to all high posed sewing machines to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts</p> | 30 days | Desktop |  Manager | | |
| Working hours 01 | New | <p>It was noted that the monthly overtime hours of 26 out of 26 randomly selected workers exceeded 36 hours in April 2021 with the highest of 52 hours; 26 out of 26 exceeded 36 hours in March 2021 with the highest of 51.5 hours; 26 out of 26 exceeded 36 hours in December 2020 with the highest of 57 hours; no workers had worked more than 3</p> | <input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details: | <p>It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should</p> | 60 days | Follow up |  Manager | | |

| | | | | | | | | | |
|--|--|---|--|---|--|--|--|--|--|
| | | overtime hours per day. 在此次审核中, 审核员发现在随机抽取的 26 名工人中, 有 26 名工人的月加班时间在 2021 年 4 月超过 36 小时, 最高达到 51 小时; 在 2021 年 3 月, 随机抽取的 26 名工人中有 26 名工人月加班时间超过 36 小时, 最高达到 51.5 小时; 在 2020 年 12 月, 随机抽取的 10 名工人中有 10 名工人月加班时间超过 36 小时, 最高达到 57 小时。没有工人每天加班超过 3 小时。 | | be educated on health/safety dangers of excessive overtime. | | | | | |
|--|--|---|--|---|--|--|--|--|--|

Corrective Action Plan – Observations

| Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i> | New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i> | Details of Observation <i>Details of Observation</i> | Root cause <i>(completed by the site)</i> | Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i> |
|--|---|--|--|--|
| Management systems and code implementation 01 | New | It was noted that no SAQ provided for review. 在此次审核中, 审核员发现工厂没有提供 SAQ 查阅 | Awareness | It is recommended that factory should complete the SAQ. |

Good examples

| Good example Number <small>The reference number of the good example from the Audit Report, for example, Discrimination No.7</small> | Details of good example noted | Any relevant Evidence and Comments |
|--|-------------------------------|------------------------------------|
| Nil | N/A | N/A |

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)
If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.

A: Site Representative Signature:

Title Manager

Date June 25, 2021

B: Auditor Signature:

Rony Le

Title Senior auditor

Date June 25, 2021

C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.

D: I dispute the following numbered non-compliances:

E: Signed:
(If any entry in box D, please complete
a signature on this line)

Title

Date

F: Any other site Comments:

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a "root cause"

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



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

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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=r1PsbE0PQ52ehCo3lnq5lw_3d_3d)

https://www.surveymonkey.com/s.aspx?sm=r1PsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCo48fro69ORgfy_2bng_3d_3d)

https://www.surveymonkey.com/s.aspx?sm=d3vYsCo48fro69ORgfy_2bng_3d_3d

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