





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 [REDACTED]		
Site address: (Please include full address)	[REDACTED] [REDACTED] [REDACTED] City, Fujian [REDACTED] [REDACTED] [REDACTED]	Country:	China
Site contact and job title:	Mr. [REDACTED] Admin Manager		
Site phone:	[REDACTED] [REDACTED]	Site e-mail:	[REDACTED]
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	July 30, 2020		

Audit Company Name & Logo: Bureau Veritas CPS  	Report Owner (payer): (If paid for by the customer of the site please remove for Sedex upload) [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 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):

1. The audit type in Sedex Advance is Initial audit but not Periodic audit as mentioned in the audit report because the site has not published previous SMETA audit in Sedex through BV CPS.

2. This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

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

Lead auditor: Lillian Liang APSCA number: RA21701326

Lead auditor APSCA status: Registered Auditor

Team auditor: Nil APSCA number: N/A

Interviewers: Lillian Liang APSCA number: RA21701326

Report writer: Lillian Liang

Report reviewer: Kiwi Zhang

Date of declaration: July 30, 2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>		Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> None observed
0B	Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	<ul style="list-style-type: none"> Summary of Non-Compliance finding 1: No machine safety guard. Summary of Non-Compliance finding 2: Insufficient occupational health checks. Summary of Non-Compliance finding 3: No toilet paper and soap in toilet.
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
5	Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Summary of Non-Compliance finding 1: Insufficient social insurance coverage.

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Summary of Non-Compliance finding 1: The employee overtime hours exceeded the statutory limits.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> N/A
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> N/A

General observations and summary of the site:

Site Summary:

The site was established in July 11, 2006 and produces Bags & Suitcase. Main production activities included punching, sewing, lasting inspection and packing.

The audit was performed over one day by one auditor; and included interviews and records inspection of 10 workers.

Workers interviewed included both male and female. All workers were favourable towards the company.

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

Overall, the site is doing well in many aspects:

- The management is familiar with the Code and Ms. [REDACTED] Sales Manager was responsible for compliance with the Code.
- The facility forbids the forced, bonded or involuntary prison labour.

- Worker representatives have access to carry out their representative functions in the facility.
- Health and Safety Committee is established to ensure the safe and hygienic working environment in the facility. Fire safety checks and electrical checks are regularly conducted. And regular H&S training are conducted for employees.
- The facility forbids the child labour. The youngest employee in the facility is 22 years old.
- Overtime is voluntary in the factory. The maximum total weekly hours are 54 hours and workers are provided with at least one day off in every 7-day period.
- 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 and etc.
- Regular employment is provided in the facility. All workers are hired directly.

There were several non-compliances found in the audit as per the table, specific examples include, overtime hours exceeding the statutory limits, insufficient social and benefit, as well as issues in health & safety section.

**Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

Site Details

Site Details														
A: Company Name:	[REDACTED] Co., Ltd													
B: Site name:	[REDACTED] Co., Ltd													
C: GPS location: (If available)	GPS Address: [REDACTED] [REDACTED] [REDACTED] City, Fujian	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 licence number: [REDACTED], which was valid from July 11, 2006 to July 10, 2036.													
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Bags & Suitcase Main production activities included punching, sewing, lasting, inspection and packing.													
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<table border="1"> <thead> <tr> <th>Production Building no.1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Used by landlord [REDACTED] [REDACTED] [REDACTED] " as production and office area</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Used by landlord [REDACTED] [REDACTED] [REDACTED] " as production and office area</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Rented by audited factory as sewing, inspection, and packing workshop, development</td> <td>Nil</td> </tr> </tbody> </table>		Production Building no.1	Description	Remark, if any	Floor 1	Used by landlord [REDACTED] [REDACTED] [REDACTED] " as production and office area	Nil	Floor 2	Used by landlord [REDACTED] [REDACTED] [REDACTED] " as production and office area	Nil	Floor 3	Rented by audited factory as sewing, inspection, and packing workshop, development	Nil
Production Building no.1	Description	Remark, if any												
Floor 1	Used by landlord [REDACTED] [REDACTED] [REDACTED] " as production and office area	Nil												
Floor 2	Used by landlord [REDACTED] [REDACTED] [REDACTED] " as production and office area	Nil												
Floor 3	Rented by audited factory as sewing, inspection, and packing workshop, development	Nil												

	room and office area.	
Floor 4	Rented by audited factory as punching workshop and warehouse	Nil
Is this a shared building?	Yes	Nil

Co., Ltd was established on July 11, 2006, which was situated at City, Fujian province, China

The audited factory rented the 3F&4F of one 4-storey production building from as production and office area. No canteen or dormitory was provided to employees. The total land area of the factory was about 2,400 m².

The copy business licenses and rental contracts were provided for review. The audited factory's management stated that they did not share any attendance & wage system or management system. As per factory tour of other factory's gate, auditor noted that the other factory had their own access control system, and a simple factory tour of another factory was allowed. As per employees interview, employees from the audited factory stated that audited factory had issued the employees' card to distinguish the employees from different factory, and they never worked in the other factory or saw anyone from another factory working in the audited factory; in addition, the working hours and wages were managed and paid by their own factory. No unauthorized transfer employees issue occurred among these two factories.

Factory management stated that no peak season in the factory. All sections in the factory normally ran with 1 shift: 8:00-18:00 with 2 hours lunch break from 12:00 to 14:00. Production workers were paid by hourly rate at the end of each month by cash.

There were total 34 employees (14 males and 20 females) working in the factory, which included 20 production employees and 14 non-production employees. The youngest worker in the factory was 22 years old.

F1: Visible structural integrity issues (large cracks) observed?
☐ Yes
☒ No

F2: Please give details: The production building was structural safety, no crack was observed.

	<p>F3: Does the site have a structural engineer evaluation?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>F4: Please give details: Factory had provided the construction inspection report provided by 3rd party to review.</p>
G: Site function:	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>
H: Month(s) of peak season: (if applicable)	Not obvious.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	The production activities in the factory included punching, sewing, lasting, inspection and packing. The main equipment included punching and sewing machines, cargo lift and etc.
J: What form of worker representation / union is there on site?	<p><input type="checkbox"/> Union (name)</p> <p><input checked="" type="checkbox"/> Worker Committee</p> <p><input type="checkbox"/> Other (specify)</p> <p><input type="checkbox"/> None</p>
K: Is there any night production work at the site?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>L1: If yes, approx. % of workers in on site accommodation</p>
M: Are there any off site provided worker accommodation buildings	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>M1: If yes, approx. % of workers</p>
N: Were all site-provided accommodation buildings included in this audit	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N1: If no, please give details</p> <p>N/A Factory didn't provide the dormitory to employees</p>

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:30 A2: Day 1 Time out: 17:40	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	One auditor in one day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If No, why not? Factory was not aware of the SAQ.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A Factory didn't provide the SAQ to review		
G: Who signed and agreed CAPR (Name and job title)	Mr. Admin 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:	July 31, 2019		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives
------------------	------------	------------------------

	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (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 union set up in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	2	0	0	3	0	0	0	5
Worker numbers – female	11	0	0	4	0	0	0	15
Total	13	0	0	7	0	0	0	20
Number of Workers interviewed – male	1	0	0	1	0	0	0	2
Number of Workers interviewed – female	5	0	0	3	0	0	0	8
Total – interviewed sample size	6	0	0	4	0	0	0	10



A: Nationality of Management	Chinese	
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: __Chinese__ B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No N/A, no peak season If no, please describe how this may vary during peak periods:
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 __100%__ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
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: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	1 group of 4	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 0	D2: Female: 6
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?	N/A. All interview employees were holding positive per factory management.	
I: What did the workers like the most about working at this site?	Timely payment	
J: Any additional comment(s) regarding interviews:	Nil	
K: Attitude of workers to hours worked:	They would voluntary to work overtime as they wanted to earn more wages.	
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

10 workers were randomly selected from different departments for private interview. It was noted that the interviewees were favourable with the management and no negative information was raised.

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

They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns.

O: Attitude of managers:

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

The factory management was positive towards the auditor, they provided relevant documents to auditor for review, showed auditor the production process during factory tour, and provided auditor an independent room for workers interview. At the closing meeting, the auditor provided the factory representative a general overview, and explained all findings to them. Meantime, the auditor made the corrective suggestions corresponding to findings to the factory representatives, Mr. Admin Manager, signed the CAPR.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Factory had established policy covering human rights impacts and issues.
2. Factory had a designated Ms. [REDACTED] Sales Manager responsible for implementing standards concerning Human rights
3. Facility had a policy which required labour standards of its own suppliers and asked them to countersign and sent back to factory, making sure that it is communicated to all appropriate parties and they are also focus on the human rights.

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

Details: 1. Document review: Employee manual, human right policy, social responsibility policy, training records etc.

2. Management interview.

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 established policy about the human right and social responsibility and posted it in the bulletin board of factory.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Job title: Sales 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 facility had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
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: Policy was established and training had been held in factory and the relevant document was provided for review.

Findings		
Finding: Observation <input type="checkbox"/>	Company NC <input type="checkbox"/>	Objective evidence observed: None Observed

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2019 ___5___ %	A2: This year: 2020 ___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: ___0___ %	C2: This year ___0___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: No accident happened in the past 12 months	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2019 Number: 0	F2: This year: 2020 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: 2019 0	H2: This year: 2020 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___ % workers	I2: 12 months ___0___ % workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0 % workers	J2: 12 months 0 % workers
---	-----------------------------	------------------------------

0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

In order to verify whether the factory had provided accurate documents, auditor crosschecked kinds of production records of material in and out records in warehouse, daily production records with related attendance records.

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

Details: Production daily records, material in/out records, inspection records, etc.

Any other comments: Nil

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No fine in the factory.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Sufficient procedures had been established to prevent forced labour, child labour, discrimination, harassment and abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Sufficient procedures had been established to prevent forced labour, child labour, discrimination, harassment and abuse. Workers were voluntary to work overtime, the youngest

	worker was 22 years old, and no discrimination, harassment or abuse issues were found.
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: Managers and workers have received training in the standards for forced labour, child labour, discrimination, harassment & abuse four times per year, the training records were provided to review.
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: There were records on the training of the social responsibility standard.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: No any internationally recognised system certifications were obtained in the factory.
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: Factory has established the Human Resources Department. Mr. [REDACTED] HR Manager were in charge of this 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: Ms. [REDACTED] Sales Manager
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The recruitment and confidential policy was established, and suggestion box existed in factory.
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 recruitment and confidential policy was established, and suggestion box was set in a safety place.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Sufficient procedures had been established to assess risks.

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 facility had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks and Ms. [REDACTED] Sales Manager is responsible for this issue.
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 sent the code to their supplier and asked them to countersign and sent back to factory.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory had provided the related land right licenses to review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No O1: Please give details: Not applicable in China
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC:
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: Landlord built the factory building through local government permit.
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 checked="" type="checkbox"/> No R1: Please give details: Factory didn't provide related documents to review.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No such issue was noted.

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective evidence observed:

Not applicable

1: Freely Chosen Employment

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

ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

To complete 'current systems' 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 established a policy to ensure employment is freely chosen. The policy includes the following clause:

1. The factory does not require deposit or withhold employees' ID cards.
2. The factory does not limit the employees' freedom.
3. There is no forced, bonded or involuntary prison labour.
4. Employees are free to leave their employer after reasonable notice.

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

Details:

Personnel files (all samples were checked)

- Resignation records
- Factory rules
- Employee handbook

Any other comments: Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: 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 checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
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: No such restriction.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The factory had sent the code to their supplier and asked them to countersign and sent back to factory.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory established the procedures to reduce the risk of forced / trafficked labour.

Non-compliance:

1. Description of non-compliance: None observed	Objective evidence observed: Not applicable
---	---

Observation:

Description of observation: None observed	Objective evidence observed: Not applicable
---	---

Good Examples observed:

Description of Good Example (GE): None observed	Objective evidence observed: Not applicable
---	---

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

There was a Worker Committee in the factory. Suggestion box was used for employees to put forward any idea. The right to freedom of association and collective bargaining was only restricted under law, the employer facilitates. According to workers interview, they were free to join organizations of their own choice, the factory management recognized and respected their rights to freedom of association and collective bargaining, and the workers were not subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

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

Details:

1. Management interview
2. Worker interview
3. Records from the Committee
4. Suggestions from the suggestion box and actions taken

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. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box and manager hot lines 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: Factory had worker committee meeting room. Worker representative would present in the meeting to take part in related meeting and discussion	
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?	Factory had worker committees	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	Mr. / Sewing worker
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: April 1, 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All employees were told that the obligation of worker representatives and they could raise their concerns.	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The worker committee meeting was held on June 10, 2020 and to discuss the intern audit corrective plan and schedule the training plan.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	
If Yes , what percentage by trade Union/worker representation	M1: __N/A__% workers covered by Union CBA	M2: __N/A__% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
1. Description of non-compliance: None observed	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

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

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

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

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

Current Systems and Evidence Examined

To complete 'current systems' 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 was well ventilated.

The factory maintained a comfortable temperature throughout work floors.

Sufficient first aid kits stocked with necessary supplies are provided in workshops.

Drinkable water was available in workshops.

As evidenced by site tour, document checks and worker/management interviews.

Fire drill records were provided for review.

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

Details:

1. Factory tour
2. Document review:
 - Local and national laws,
 - Leave records,
 - Local contract for all employees,
 - Resignation record,
 - Production safety policies and procedures, training records etc.
3. Management interview
4. Worker interview

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?

- ☒ Yes
☐ No

	A1: Please give details: Safety policies and procedures were established in worker's manual and factory had provided training for employees regularly.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Safety policies and procedures were established in worker's manual.
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: The factory construction got the permits.
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: When auditor toured the site, factory management provided auditor with personal protective equipment before auditor entered the 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: Factory had provided the first aid kit in every workshop for employees.
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: One employee was trained for medical aid.
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 N/A G1: Please give details: No worker transport was provided.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A H1: Please give details: No dormitory was provided to employees
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 conducted the H&S risk assessments including evaluating the arrangements for workers doing overtime also they had made plans to reduce some identified risks.
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: The site was meeting its legal obligations on environmental standards, and only produced living waste water, but no production waste water.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemical was used in factory. The site was meeting environmental standards.

Non-compliance:

1. Description of non-compliance:

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

It was noted that 2 out of 15 sewing machines in the sewing workshop on the 3F of production building were not equipped with needle guards.

Local law and/or ETI requirement: In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.

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

Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with needle guards.

Action by: Mr. Admin Manager

Time frame: 30 days

2. Description of non-compliance:

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

It was noted that the factory provided the occupational health checks to employees in punching workshop who were in contact with hazardous materials yearly. However, the occupational health checks were not provided to employees before they took the posts or left the posts.

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

1. Objective evidence observed:

Per factory tour. Please refer to NC photo No.1

2. Objective evidence observed:

Per factory tour and document review: related occupational health checks.

harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.

The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contracts signed with the laborers that haven't gone through the occupational health examination before they leave their posts.

The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.

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

Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that sufficient and regular occupational health checks are provided to all employees handling hazardous materials.

Action by: Mr. Admin Manager

Time frame: 30 days

3. Description of non-compliance:

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

It was noted that toilet paper and soap were not available in the toilets located at the 4F of production building.

Local law and/or ETI requirement: ETI 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that toilet paper and soap are provided in the toilets located at the production workshop.

3. Objective evidence observed:

Per factory tour. Please refer to NC photo No.2

Action by: Mr. [REDACTED] Admin Manager
Time frame: 30 days

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory establishes a policy that will never employ and use any child labour under the age of 16 years old.
2. The factory will verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files.
3. Sufficient numbers of 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.
4. The employees between 16 to 18 years old would be registered to the Department of labour.

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

Details:

1. Policy review
2. Document review: Employee's personnel files, ID Card copies, Age policy etc.
3. Management interview
4. Worker interview

Any other comments: Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	22 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

[\(Go to clause 3 – Health and Safety\)](#)

E1: If yes, give details

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All sampled employees were paid at least RMB10.92 per hour in tested sample months, which was above the local minimum wage of RMB8.62 per hour since July 1, 2017 to December 31, 2019, and RMB9.89 per hour since January 1, 2020.
2. According to provided payroll and attendance records that all sampled employees were compensated 150% of normal wages for overtime on weekdays and 200% of normal wages for overtime on rest days, which was in compliance with legal requirement. No overtime on statutory holidays was noted.
3. According to the social insurance payment receipt provided by factory management, it was noted that only 4 out of 34 employees were provided with unemployment insurance, and 5 out of 34 employees were provided with medical, maternity, pension and accident insurance in June 2020. Factory had purchased the commercial group accident insurance for 29 employees, which was valid from September 9, 2019 to September 8, 2020.

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

Details:

1. Document review: Wage and time records, wage policy, benefits policy etc.
2. Worker interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

1. Objective evidence observed:

Per document review: recipient of social insurance.

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 4 out of 34 employees were provided with unemployment insurance, and 5 out of 34 employees were provided with medical, maternity, pension and accident insurance in June 2020. Factory had purchased the commercial group accident insurance for 29 employees, which was valid from September 9, 2019 to September 8, 2020.

Local law and/or ETI requirement: In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.

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

Recommended corrective action: It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

Action by: Mr. Admin Manager

Time frame: 120 days

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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 a day and 40 hours a week	A1: 8 hours a day and 40 hours a week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day; 36 hours per month	B1: 2 hours per day, 14 hours per week and 66 hours per month	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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 8.62 per hour since July 1, 2017 to December 31, 2019, and RMB9.89 per hour since January 1, 2020.	C1: RMB10.92 per hour in the tested sampled months	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Not less than 150% of normal wage for weekday overtime working Not less than 200% of normal wage for rest day overtime working Not less than 300% of normal wage for holiday overtime working.	D1: 150% of normal wage for weekday overtime working, 200% of normal wage for rest day overtime working, no overtime worked on holiday.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A

Wages analysis:

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

A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

A1: If No , why not?	N/A Factory provided the accurate records shown at the first request		
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from May 2020 as most recent paid month 10 samples from January 2020 10 samples from November 2019		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details: 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: <i>Note: full time employees and please state hour / week / month etc.</i> All sampled employees were paid at least RMB10.92 per hour in tested sample months, which was above the local minimum wage of RMB8.62 per hour since July 1, 2017 to December 31, 2019, and RMB9.89 per hour since January 1, 2020.	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: ___100___% 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> No bonus		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and individual tax		
I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that have been made.	1. N/A 2. Please describe:
		I2: Please list all deductions that have not been made.	1. Social insurance 2. Individual tax Please describe:

			<p>1. Not all the employees participated in the social insurance.</p> <p>2. The employees' salary was below the individual income tax threshold.</p>
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: It was noted that no inconsistency regarding working hours were found among the time records provided by factory management, production records collected from workshops and employees' representation. The time and wage records reflected all time worked.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: No periodic review of wages		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: 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: Per document review, equal rates are being paid for equal work.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The auditor reviewed the attendance records of (10 samples from the November 2019, 10 samples from January 2020, and 10 samples from current paid month May 2020). It was noted that the maximum overtime working hours for all 30 sample employees records were 2 hours on a normal day, 14 hours per week and 66 hours per month. Further, the maximum weekly working hours for all 30 sample employees records were 54 hours and the maximum consecutive days for them were 6 days in a month.

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

Details:

1. Time Records
2. Employee interview
3. Management interview

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 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits.

A review of 30 sample population employees' time records (10 samples from the November 2019, 10 samples from January 2020, and 10 samples from current paid month May 2020) yielded the following:

- 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 66 hours) in November 2019, which was not in compliance with the legal requirement;
- 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 38 hours) in January 2020, which was not in compliance with the legal requirement;
- 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 62-64 hours) in May 2020, which was not in compliance with the legal requirement.

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

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 factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

Action by: Mr. Admin Manager

Time frame: 60 days

1. Objective evidence observed:

Per document review: time records and payroll records.

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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 printed and face scan time record facility

B: Is sample size same as in wages section?

☒ Yes

☐ No

B1: If no, please give details

C: Are standard/contracted working hours defined in **all** contracts/employment agreements?

☒ Yes

☐ No

C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.
Please give details: N/A

D: Are there any other types of contracts/employment agreements used?

☐ Yes

☒ No

D1: If YES, please complete as appropriate:

☐ 0 hrs

☐ Part time

☐ Variable hrs

☐ Other

If "Other", Please define:

N/A

E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?

☐ Yes

☒ No

E1: If **yes**, please detail hours, %, types of workers affected and frequency
Please give details: N/A

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?

F2: Please select all applicable:

☒ 1 in 7 days

☐ 2 in 14 days

☐ No

F3: Is this allowed by local law?

☒ Yes

☐ No

	If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
	The maximum consecutive working days were 6 days.	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: 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 Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day in November 2019, 2 hours per day in January 2020, 2 hours per day in May 2020, 14 hours per week in November 2019, 14 hours per week in January 2020, 14 hours per week in May 2020, 66 hours per month in November 2019, 38 hours per month in January 2020, 64 hours per month in May 2020,	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___20___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Employees were voluntary to work overtime.

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	<p>M1: Please give details of normal day overtime premium as a % of standard wages:</p> <p>150% and 200% of the normal wages for the overtime working hours occurred on the normal working days and weekend days</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency:</p> <p>All employees were paid 150% and 200% of the normal wages for the overtime working hours occurred on the normal working days and weekend days. Paid monthly.</p>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	Not applicable	
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) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Q1: If yes, please give details: Per time record review and management and employees' interview.</p>
R: If sufficient workers cannot be hired, are new working time arrangements explored	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

to ensure that overtime is the exception rather than the rule.

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

According to document review, workers interview and factory tour, there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, material status, sexual orientation or political affiliation.

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

Details: The factory regulations and the hiring procedures were checked. No discrimination was noted.

Any other comments: Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>57</u> % A2: Female <u>43</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	3 female employees were management.
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. No discrimination was observed.

Professional Development

A: What type of training and development are available for workers?	Class training and onsite learning was provided. All types of trainings had been provided to female workers equal to male workers.
---	--

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

Non-compliance:	
1. Description of non-compliance: None observed	Objective evidence observed: None observed Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: None observed Not applicable

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Work performed is on the basis of recognized employment relationship established through national law and practice.
2. The factory signs labor contracts with employees within 30 days after employment.
3. There is no homeworking from the site.

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

Details:

1. Document review: social compliance policy, employees' contract, etc.
2. Worker interview
3. Management interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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?

- ☒ Terms & Conditions presented
- ☒ Understood by workers
- ☒ 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 purpose of recruitment/placement?

- ☐ Yes
- ☒ No

B1: If yes, please describe details and specific category (ies) of workers affected:

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	Migrant workers were arranged in punching and sewing workshops and management	
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 No recruitment agency was used.	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A. No such deduction was noted.	C2: Observations: N/A No deductions was made by migrant workers
D: Are Any migrant workers in skilled, technical, or management roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 2 in total: 1 migrant worker was assigned as Factory Director and 1 migrant worker was warehouse keeper.	

Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

Recruitment Fees:

A: Are there any fees?

☐ Yes

☐ No

N/A

B: If yes, check all that apply:

☐ Recruitment / hiring fees

☐ Service fees

☐ Application costs

☐ Recommendation fees

☐ Placement fees

☐ Administrative, overhead or processing fees

☐ Skills tests

☐ Certifications

☐ Medical screenings

☐ Passports/ID's

☐ Work / resident permits

☐ Birth certificates

☐ Police clearance fees

☐ Any transportation and lodging costs after employment offer

☐ Any transport costs between work place and home

☐ Any relocation costs after commencement of employment

☐ New hire training / orientation fees

☐ Medical exam fees

☐ Deposit bonds or other deposits

☐ Any other non-monetary assets

☐ Other

N/A

B1 – If other, please give details:

N/A

C: If any checked, give details:

N/A

Agency Workers (if applicable)

(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.)

A: Number of agencies used (average):

A1: Names if available: N/A, no agency worker.

B: Were agency workers' age / pay / hours included within the scope of this audit?

☐ Yes

☐ No

N/A

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

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

According to the management and employees interview, no home worker and subcontractor was in use.

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

Details:

1. Document Review: Supplier policy, production records etc.
2. Factory Tour
3. Management interview
4. Worker interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Summary of sub-contracting – if applicable

☒ Not Applicable please x

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

☐ Yes

☐ No

A1: Please describe:

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

☐ Yes

☐ No

B1: If **Yes**, summarise details:

C: Number of sub-contractors/agents used:

D: Is there a site policy on sub-contracting?

☐ Yes

☐ No

D1: If **Yes**, summarise details:

E: What checks are in place to ensure no child labour is being used and work is safe?

Summary of homeworking – if applicable

☒ Not Applicable please x

A: If homeworking is being used, is there evidence this has been agreed with the main client?

☐ Yes

☐ No

A1: If **Yes**, summarise details:

B: Number of homeworkers

B1: Male:

B2: Female:

Total:

C: Are homeworkers employed direct or through agents?

☐ Directly

☐ Through Agents

C1: If through agents, number of agents:

D: Is there a site policy on homeworking?

☐ Yes

☐ No

E: How does the site ensure worker hours and pay meet local laws for homeworkers?	
F: What processes are carried out by homeworkers?	
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

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: Per employees' interview, they represented that the factory had set suggestion box and provided hot line for them to reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party.
B: If Yes , are workers aware of these channels and have access? Please give details.	Interviewed employees were aware of the hot line number and the suggestion box.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Hot line and 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: The factory had set suggestion box and provided hot line for workers
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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details

Current Systems and Evidence Examined

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

Current systems:

The factory established 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. Through the factory management and workers' interview, it was noted that no physical abuse or discipline happened in the factory and the disciplinary procedure of the factory is verbal warning and education.

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

Details:

1. Policy review: Social compliance policy, recruitment policy, equal policy etc.
2. Worker interview
3. Management interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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

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

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

To complete 'current systems' 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:

Based on management interview and employee interview, it was noted that the factory recruited workers through poster at the factory gate and introduction of current workers and established the procedure for screening through checking the original identification certificates and other background information to ensure that employees without legal right to work were not recruited.

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

Details:

1. Factory tour
2. Document review: Social compliance policy, recruitment policy, employee contract, personnel files etc.
3. Worker interview
4. Management interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

10. Other issue areas 10B2: Environment 2–Pillar

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

There were policies and procedures concerning environmental issues in the factory.

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

Details:

1. Factory tour
2. Document review: Environmental document, such as environmental check and acceptance report.
3. Worker interview
4. Management interview.

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Other findings

Other Findings Outside the Scope of the Code

None observed

Community Benefits

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

None observed

Photo Form



Factory name



Factory gate



Factory address



Factory building



Raw materials warehouse



Punching workshop






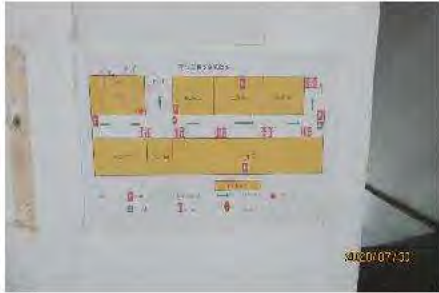








Sewing workshop


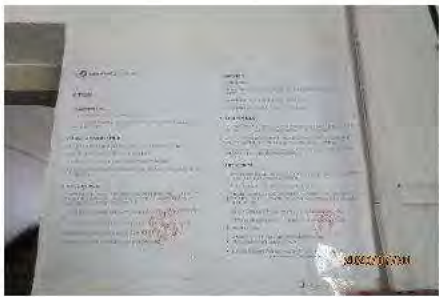






Inspection workshop



Packing workshop

		
Safety exit sign & Emergency light	Fire alarm button	Fire alarm & Back-up power
		
Evacuation plan	Fire extinguishers	Fire hydrant
		
Warning sign marked	Evacuation sign	No-smoking sign
		
PPE warning sign	First aid kit	Inspection record

		
Drinkable water	ETI Code	Suggestion box
		
Time record facility	NC photo No.1 No needle guard for sewing machines	NC photo No.2 No toilet paper and soap available in toilets



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:

http://www.surveymonkey.com/s.aspx?sm=rIPsbE0PQ52ehCo3lnq5lw_3d_3d

Click here for Supplier (B) members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

Click here for Auditors:

<https://www.surveymonkey.co.uk/r/BRTVCKP>




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC:	Sedex Site Reference: (only available on Sedex System)	ZS:
Business name (Company name):	Ltd		
Site name:	Ltd		
Site address: (Please include full address)	Country: China		
Site contact and job title:	Mr. Admin Manager		
Site phone:		Site e-mail:	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar
			<input type="checkbox"/> Business Ethics
Date of Audit:	July 30, 2020		

Audit Company Name & Logo: Bureau Veritas CPS  BUREAU VERITAS	Report Owner (payer): (If paid for by the customer of the site please remove for Sedex upload) 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):

1. The audit type in Sedex Advance is Initial audit but not Periodic audit as mentioned in the audit report because the site has not published previous SMETA audit in Sedex through BV CPS.
2. This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

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

Lead auditor: Lillian Liang (RA21701326)

Team auditor: Nil

Interviewers: Lillian Liang

Report writer: Lillian Liang

Report reviewer: Kiwi Zhang

Date of declaration: July 30, 2020

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

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

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 9:30 Day 1 Time out: 17:40	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	One auditor in one day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not Factory was not aware of the SAQ.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A Factory didn't provide the SAQ to review		
G: Who signed and agreed CAPR (Name and job title)	Mr. Admin 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:	July 31, 2019		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (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 union set up 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 No.1		It was noted that 2 out of 15 sewing machines in the sewing workshop on the 3F of production building were not equipped with needle guards.	<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:	It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with needle guards.	30 days	Desktop	Yes/ Mr. ■■■ Amin Manager		
Safety and Hygienic Conditions No.2		It was noted that the factory provided the occupational health checks to employees in punching workshop who were in contact with hazardous materials yearly. However, the occupational health checks were not provided to employees before they took the posts or left the posts.	<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:	It is recommended that management adopt practices and controls to ensure that sufficient and regular occupational health checks are provided to all employees handling hazardous materials.	30 days	Desktop	Yes/ Mr. ■■■ Amin Manager		

Safety and Hygienic Conditions No.3		It was noted that toilet paper and soap were not available in the toilets located at the 4F of production building.	<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:	It is recommended that management adopt practices and controls to ensure that toilet paper and soap are provided in the toilets located at the production workshop.	30 days	Desktop	Yes/ Mr. ■■■■■ / Amin Manager		
Wage and Benefits No.1		It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 4 out of 34 employees were provided with unemployment insurance, and 5 out of 34 employees were provided with medical, maternity, pension and accident insurance in June 2020. Factory had purchased the commercial group accident insurance for 29 employees, which was valid from September 9, 2019 to September 8, 2020.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.	120 days	Desktop	Yes/ Mr. ■■■■■ Amin Manager		
Working Hours No.1		It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input checked="" type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that factory management adopt practices and controls to ensure that	60 days	Follow- up	Yes/ Mr. ■■■■■ Amin Manager		

		<p>A review of 30 sample population employees' time records (10 samples from the November 2019, 10 samples from January 2020, and 10 samples from current paid month May 2020) yielded the following:</p> <ul style="list-style-type: none"> • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 66 hours) in November 2019, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 38 hours) in January 2020, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 62-64 hours) in May 2020, which was not in compliance with the legal requirement. 		employee overtime hours do not exceed the statutory limits.						
--	--	---	--	---	--	--	--	--	--	--

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>
Nil	Nil	Nil	Nil	Nil

Good examples

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

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:

Mr. [REDACTED]

Title Admin Manager

Date July 30, 2020

B: Auditor Signature:

Lillian Liang

Title Auditor

Date July 30, 2020

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=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

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

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

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

<https://www.surveymonkey.co.uk/r/BRTVCKP>