

Sedex Members Ethical Trade Audit (SMETA) Report

Version 5.0.1 – Customer Code version, Dec 2014

Supplier name:		Co., Ltd
Site country:	China	
Site name:		Co., Ltd
Parent Company name (of the site):	NA	
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar
Date of Audit	31 st May, 2017 10 th July, 2017	

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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
 - Management systems and code implementation,
 - 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.





Audit Company Name: Bureau Veritas	Report Owner (payee): [REDACTED] Co., Ltd
Sedex Company Reference: (only available on Sedex System)	[REDACTED]
Sedex Site Reference: (only available on Sedex System)	[REDACTED]

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

Auditor Reference Number: (if applicable)	NA
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SMETA Declaration

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

Any exceptions to this must be recorded here (e.g. different sample size): None

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

Lead auditor: Zhihua Zhu **Zhihua Zhu**

Team auditor: Youlian LIU **NA**

Interviewers: Zhihua Zhu, Youlian LIU **NA**

Date: 31st May, 2017 **10th July, 2017**

Non-Compliance Table

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</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*:		
		ETI Base Code	Local Law	Additional Elements (i.e. not part of ETI code)	NC	Obs	GE
0	Management systems and code implementation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0
1	Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		3	0	0
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
5	Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
6	Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
8A	Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	0	1	0
10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>		0	0

*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.

Summary of Findings

Summary of main findings: (positive and negative)
(Please give a short summary of the main findings per clause)

Positive finding:

Top management supports with acceptable attitude on system improvement. Most of interviewed workers are basically satisfied with the factory's situation and benefit. All documentations were requested in a timely manner.

Non compliances:

1.ETI0 Minor

The factory did not communicate this Code to all employees by training as confirmed by training records and worker interviews.

2.ETI3.1 Major

Earplugs were not worn for 3 out of 9 workers in double-needle sewing position.

3.ETI 3.1 Major

The chemicals were not stored well, such as chemical container put together with the clothing, machine oil flowing into the ground, no leakage-proof container for the lubricant oil.

4.ETI3.1 Major

It was noted that no writing occupational hazards notification for relevant workers was in place, though the company provide the relevant training to them.

All NCRs can be closed by Desktop audit on 10th July, 2017.

Observation:

1, 10C.4

The company did not establish the environmental policy.

Audit Details

Audit Details			
A: Report #:	3944934		
B: Time in and time out (SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)	Day 1 Time in: 9:00 Day 1 Time out: 20:00		
C: Number of Auditor Days Used: (number of auditor x number of days)	2 auditor * 1.25 days =2.5 man days on site.		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
E: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If No, why not? (Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)	NA		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Zhihua Zhu /Lead auditor, Youlian Liu/ Member <u>Zhihua Zhu /Lead auditor</u>		
I: Report written by:	Zhihua Zhu / Youlian Liu <u>Zhihua Zhu</u>		
J: Report reviewed by:	Chitra Kawale		
K: Report issue date:	9 th May 2017		
L: Supplier name:	[REDACTED] Co., Ltd		
M: Site name:	[REDACTED] Co., Ltd		
N: Site country:	China		
O: Site contact and job title:	Mr. Yin YE, Manager		
P: Site address:	[REDACTED]		

(Please include full address)	Xiamen City , FuJIAN province, P R China			
Site phone:				
Site fax:	NA			
Site e-mail:				
Q: Applicable business and other legally required licence numbers:for example, business license no, and liability insurance	business license: Valid date: 05/Nov./2007 to 04/Nov./2027			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacture of non-woven bags			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	Mr. Yin YE, Manager			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Mr. Yin YE; HR manager &MR and OHS representative Ms. Lihua LIU, Product manager Mr. Weizhong Jiang, Worker representative Ms. Dan XIE,HR Director			
W: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name) : <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Y: Previous audit date:	27 th ~29 th April. 2016			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If other, please define: na

Audit Scope/Actual Results

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: 40 hours per week	40 hours per week	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Legal Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week and month)	Legal maximum: 3 hours a day, 36 hours a month	Max 2 hours a day, max 20 hours a week	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Legal age of employment: (Minimum legal and actual minimum age at site)	Legal minimum: 16 years old	18 years old	
D: Legal minimum 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: 1500 Yuan/month; 8.62 Yuan/hour	1500 Yuan/month; 8.62 Yuan/hour	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
E: Legal minimum overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week and month)	Legal minimum: 12.93 Yuan/hour for overtime in standard working day, 17.24 Yuan/hour for weekends overtime, 25.86 Yuan/hour for National holidays overtime	12.93 Yuan/hour for overtime in standard working day, 17.24 Yuan/hour for weekends overtime, 25.86 Yuan/hour for National holidays overtime	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Audit Scope

(Please select the code and additional requirements that were audited against during this audit)

2-Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4-Pillar	<input checked="" type="checkbox"/>
10C: Business Ethics	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

Note: The main 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 Overview

Audit Overview																		
	Management	Worker Representatives																
Audit attendance	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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No															
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	NA																	
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	NA																	
F: Site description: (Include size, location and age of site. Also include structure and number of buildings)	<p>The company is located at [REDACTED] Fujian Province, China. The factory was built at 2007. There are currently about 348 employees in the company. The factory size is 4718 sq.m.</p> <p>There was 1 building in company. The main process including cutting, sewing, packaging.</p> <p>There were 8 product lines in the company.</p> <p>In view of the facilities, the factory occupies part of 2/F, part of 4/F and whole 3/F of one 6-storey building, which are used as the office, production floor and warehouse. No dormitory, canteen or kitchen is available for workers.</p> <table border="1"> <thead> <tr> <th>Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Other factory</td> <td>Machine manufacturing</td> </tr> <tr> <td>Floor 2</td> <td>Cutting workshop, raw material warehouse and other factory.</td> <td>Other factory is wed dress manufacturing.</td> </tr> <tr> <td>Floor 3</td> <td>Sewing workshop, material warehouse, finished product warehouse and office.</td> <td>na</td> </tr> <tr> <td>Floor 4</td> <td>Sewing workshop, packing workshop and other factory.</td> <td>Other factory is photo frame manufacturing.</td> </tr> </tbody> </table>			Production Building	Description	Remark, if any	Floor 1	Other factory	Machine manufacturing	Floor 2	Cutting workshop, raw material warehouse and other factory.	Other factory is wed dress manufacturing.	Floor 3	Sewing workshop, material warehouse, finished product warehouse and office.	na	Floor 4	Sewing workshop, packing workshop and other factory.	Other factory is photo frame manufacturing.
Production Building	Description	Remark, if any																
Floor 1	Other factory	Machine manufacturing																
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Floor 3	Sewing workshop, material warehouse, finished product warehouse and office.	na																
Floor 4	Sewing workshop, packing workshop and other factory.	Other factory is photo frame manufacturing.																

	<table border="1"> <tr> <td>Floor 5 & Floor 6</td><td>other factory</td><td>na</td></tr> <tr> <td>Is this a shared building?</td><td>Yes</td><td>The factory rent all operation area from [redacted] Co., Ltd.</td></tr> </table> <p>There were other factories shared the same building. The audited factory management explained that they and other facilities had separate business licenses, with individual financial system, production management and personnel management (including attendance records and payroll records). And according to the employee interview, they confirmed the situation, and they also stated that the employees in other factories would not flow in each other</p>	Floor 5 & Floor 6	other factory	na	Is this a shared building?	Yes	The factory rent all operation area from [redacted] Co., Ltd.
Floor 5 & Floor 6	other factory	na					
Is this a shared building?	Yes	The factory rent all operation area from [redacted] Co., Ltd.					
G: Site function: (if applicable)	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor						
H: Month(s) of peak season: (if applicable)	NA						
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)							
Manufacture of bags. The main process including cutting, sewing, packaging. There are 8 product lines. There are 260 sewing equipment, 3 cutting equipment in the company.							
J: 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							
Most of interviewed workers are basically satisfied with the factory's situation and benefit. They had good relationships with their supervisors and managers who treated them with respect. They are relaxed and comfortable. More workers worked in factory more years. No negative information was provided from interviewed workers. The workers come from near village.							
K: Attitude of workers committee/union reps: (Include their attitude to management, workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk							
The worker representatives within the facility was freely elected without management interference, they was allowed to carry out activities relating to employees' right and interest without management interference, and was given access							

to the workplace in order to carry out their representative functions.
They provided more positive information, such as on time paid, enough benefit.

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

Full access was granted to documentation review, factory tour and employee interview. Locked areas encountered during the audit were unlocked timely. All documentations were requested in a timely manner. At the end of the audit, all the findings were accepted by the factory management.

Key Information

Key Information

(click on the key information title to go to appropriate section of the report)

A: Do all workers (including migrant workers) have contracts of employment/employment agreements? <i>(Go to clause 8 – Regular Employment)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Are maximum standard/contracted working hours clearly defined in contract/employment agreements? <i>(Go to clause 8 – Regular Employment)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Were appropriate records available to verify hours of work and wages? <i>(Go to clause 5 – Living Wage)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Were any inconsistencies found? (if yes describe nature) <i>(Go to Wages Table)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence </div> </div>
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? <i>(Go to clause 5 – Living Wage)</i>	Wages found:
	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above </div> <div> Please indicate the breakdown of workforce according to earnings: ____ % of workforce earning under min wage ____ % of workforce earning min wage 100 % of workforce earning above min wage </div> </div>
F: % of piece rate workers: (if applicable)	90%
G: Do the standard/contracted hours stated in a contract/employment agreement exceed the law or 48 hours per week? <i>(Go to clause 6 – Working hours)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
H: If yes, what are the standard/contracted hours per week as stated in the contract/employment agreement? <i>(Go to clause 6 – Working hours)</i>	<div style="display: flex; justify-content: space-between;"> <div> ____ na ____ hrs/week </div> <div> Approx. ____ % of ALL workers on these contacted hours </div> </div>
I: Combined hours (standard/contracted plus overtime = total hours) over 60 per week found? <i>(Go to Working Hours Analysis)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'No', please explain:

K: Are the correct legal overtime premiums paid? (Go to Wages Table)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium
L: Please state what actual OT is paid. (As a percentage of the workers standard rate) (Go to Working Hours Analysis)	Please give details of overtime premium as a % of standard wages: <input type="checkbox"/> 0% <input type="checkbox"/> 1% – 115% <input type="checkbox"/> 116% – 124% <input checked="" type="checkbox"/> 125% – 199% <input checked="" type="checkbox"/> 200%+ Please give details: 150% for weekdays ; 200% for rest days ; 300% for holidays.
M: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
N: % of workers living in site provided accommodation (if applicable):	na
O: Age of youngest worker found: (Go to clause 4 – Child labour)	18 years old.
P: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
% of under 18's at this site (of total workers)	0 %
Q: What form of worker representation/union is there on site? (Go to clause 2 – Freedom of Association)	<input checked="" type="checkbox"/> Union (name) [REDACTED] Co., Ltd trade union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
R: Is it a legal requirement to have a union? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
S: Is It a legal requirement to have a workers committee? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
T: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) (Go to clause 2 – Freedom of Association)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: comments boxes, telephone
U: Are there any External Processes? (Go to clause 8A – Sub-contracting and Home working)	<input checked="" type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process <input type="checkbox"/> No external processes

Management Systems

Management Systems:

A: Nationality of Management	Chinese
B: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: <u>50</u> % Female: <u>50</u> %
C: Majority nationality of workers	Chinese
D: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	<u>3.5</u> %
E: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F: If No, why not?	NA
G: 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 Please describe: NA
H: 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 Please describe: The relevant files was established and defined.
I: If Yes, is there evidence (an indication) of effective implementation? Please give details.	<p>The ID card check was used to identify how old the recruit was in the recruit process. ID copy was collected and kept for all employees in the company.</p> <p>Some employees were sampled on-site. The personal information was available at the HR Dept. No found young workers and child workers in the company.</p> <p>No lodge ID card or 'deposits' was required when worker joined the company. The company also doesn't deduct part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.</p> <p>Overtime work is a voluntary choice by employees.</p> <p>Production of workers is from Villages. All of them can get all kinds of job.</p> <p>The disciplinary practice rule defined in employee manual respected to the national laws. The disciplinary regulations include oral warning, written warning and dismissal are defined for employees who don't obey the management regulation, no corporal punishment, mental or physical coercion and verbal abuse was found during audit.</p>
J: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The requirement of relevant files were trained to all employees, the record was kept well.

K: If Yes , is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	All interviewed employees know the relevant requirement.
L: 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No relevant information was found from the result web searching.
M: If Yes , are workers aware of these channels? Please give details.	NA
N: Have health and safety risks been identified e.g. through internal audits, formal risk analysis process, worker involvement etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The health and safety risks have been identified on site. It was accepted.
O: If Yes , has effective action been taken to reduce or eliminate these risks?	The company provided the PPE (such as earplug, dust mask, gloves etc) to relevant worker. Regular safety inspection was carried out at place.
P: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: One accident was happened near 12 months.
Q: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The product quantity was checked, it was suitable with the relevant working hours.
R: Does the site have all required land rights licenses and permissions (see <i>SMETA Measurement Criteria</i>)?	Yes. The business license can be provided in place.
S: 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).	SA8000, BV, CERTIFICATION NO: IND15.1549, Valid date: 03 Aug. 2015~ 02 Aug. 2018; ISO9001, BV, CERTIFICATION NO: CNBJ300B06-UK, Valid date: 25 July. 2014~ 24 July. 2017;
T: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Mr. Yin YE, HR Manager

Worker Analysis

Worker Analysis								
	Local			Migrant			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	74	0	0	0	0	0	0	74
Worker numbers – female	262	0	0	0	0	0	0	262
Total	336	0	0	0	0	0	0	336
Number of Workers interviewed	26	0	0	0	0	0	0	26

Contractors:

(Individuals supplying workers to site with the workers paid by contractors, not by site)

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If Yes, how many workers supplied by contractors	NA
C: Are all contractor workers paid according to law?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, Please give evidence for contractor workers being paid according to law:	NA

Migrant Workers:

(Please see SMETA Best Practice Guidance and Measurement Criteria for definitions of migrant workers)

D: Originating Locations/Countries:	NA
E: Type of work undertaken by migrant workers :	NA
F: Were migrant workers recruited through an agency? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe:NA
If Yes, is there a contract with the agency?	NA

Provide details of agencies and contractual arrangements including any fees lodged during the recruitment process.	
G: 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 Please describe: NA
H: Percentage of migrant workers in company provided accommodation:	NA

Audit Results by Clause

0: Managements system and Code Implementation

[\(click here to return to NC Table\)](#)

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
 0.3 Suppliers are expected to communicate this Code to all employees.
 0.4 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:

The company established the system to deliver compliance to this code, the HR manager was appointed as Management representative to be responsible for the maintaining and improvement of the code. All employees know basic requirement in this code, their main suppliers and sub-contracts were noticed the ETI and signed written commitment to the ETI.

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

Management interview, Training records, Worker interview, supplier and sub-contracting's written commitment

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI/Additional Elements

☐ NC against Local Law

The factory did not communicate this Code to all employees by training as confirmed by training records and worker interviews.

Local law and/or ETI requirement:

0.3 Suppliers are expected to communicate this Code to all employees.

Recommended corrective action:

The factory shall communicate this Code to all employees by training as confirmed by training records and worker interviews.

Desktop audit was conducted on 10th July, 2017.

The factory provided the training to all workers again and the training record can be provided.

This NCR can be closed.

Objective evidence observed:

(where relevant please add photo numbers) interview

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

**Objective evidence
observed:**

1: Employment is Freely Chosen

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

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:

No lodge ID card or 'deposits' was required when worker joined the company. The company also doesn't deduct part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.

Overtime work is a voluntary choice by employees.

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

document review, and worker interview

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law:

Local law and/or ETI requirement

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

Objective evidence observed:

2: Freedom of Association and Right to Collective Bargaining are

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

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:

Through the factory management interview and workers' interview, it was noted that the factory established trade union and worker committee on 2010. Workers can raise their concerns through worker representatives, telephone, suggestion box, meeting and their team leader or above. The last communication meeting was held on April. 11, 2017.

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

document review, and worker interview

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

A: Name of union and union representative, if applicable:	[REDACTED] Co., Ltd trade union. Union representative is Ms. Lihua LIU, Mr. Xiaoyong LIANG etc.	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
B: If no union what is parallel means of consultation with workers e.g. worker committees?	The workers selected 8 worker representatives.	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
C: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 8 worker representatives.	
D: State any evidence that union/workers committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	The last communication meeting was held on Apr. 10, 2017. It was covered wage, overtime, health safety etc. Above 45 minutes were communicated.	
E: Are any workers covered by Collective Bargaining Agreement (CBA)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
F: If Yes what percentage by trade Union/worker representation	100 % workers covered by Union CBA	100 % workers covered by worker rep CBA
G: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Good Examples observed: Nothing to report.

Description of Good Example (GE):	Objective evidence observed:
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3: Working Conditions are Safe and Hygienic

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

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

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:

H&S management system was implementing in the company. Mr. Yin YE (HR manager) was appointed H&S representative.

Fire check and acceptance reports were available for the premises. Construction inspection reports were available. Fire facilities were inspected monthly. Fire drill was implemented per time half a year. The records showed that the drill covered all the area in the company. The evacuation maps were available.

The passage was kept well.

Fire facility is enough in the area. But there have some issue must be improved.

Clean and sufficient toilets were provided at the factory site.

Portable drinking water was provided to workers.

Health examination was provided to relevant workers every year.

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

Fire check and acceptance reports were available

Fire facilities maintenance reports were available

Fire drill records: 08/03/2017.

Workshop air quality inspection report (No.: JHH-160809-022) was issued on 19/08/2016.

Three cargo elevators: 1. 32103502002008110001, valid date: Nov. 2017; 2. 32103502007020041 and 032103502007020042: valid date: Mar. 2018;

The building structure safety certificate on Apr. 2007.

The fire safety verified by local fire brigade meet the requirement of local law on Mar. 2007: 海公消（建验）字【2007】第 0017 号.

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

Ear plugs were not worn for 3 out of 9 workers in double-needle sewing position.

Local law and/or ETI requirement

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

Local law: clause 23 of P.R.C occupational disease prevention law: the company shall provide the workers appropriate personnel preventive equipment.

Recommended corrective action:

Ensure the workers in all relevant positions wear appropriate PPE such as steel glove, ear pluses during the work. Conduct occupational disease physical exam for all relevant workers.

Desktop audit was conducted on 10th July, 2017.

The factory had provided earplugs to the relevant workers, and the occupational disease physical examination was provided to relevant workers.

This NCR can be closed.

2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

The chemicals were not stored well, such as chemical container put together with the clothing, machine oil flowing into the ground, no leakage-proof container for the lubricant oil.

Local law and/or ETI requirement:

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

Local law: clause 24 of Hazardous chemical management regulation: the dangerous chemicals shall be put in special place and have warning labels.

Recommended corrective action:

The chemicals shall be put in separated places and have anti-leakage secondary container, avoid to flow in the ground directly.

Desktop audit was conducted on 10th July, 2017.

The factory had provided chemical to double container for preventing leakage.

This NCR can be closed.

3. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

It was noted that no writing occupational hazards notification for relevant workers was in place, though the company provide the relevant training to them.

Local law and/or ETI requirement:

Objective evidence

observed:

Per document review, observation, interview

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.

Article 33 of Law on Prevention and Control of Occupational Disease:

The company must provide writing occupational hazard notification for relevant worker.

Recommended corrective action:

The company must provide writing occupational hazards notification for relevant workers in place.

Desktop audit was conducted on 10th July, 2017.

The factory had provided writing occupational hazards notification for relevant workers.

This NCR can be closed.

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Recommended corrective action:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

Objective Evidence Observed:

4: Child Labour Shall Not Be Used

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

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:

The ID card check was used to identify how old the recruit was in the recruit process. ID copy was collected and kept for all employees in the company.
 Some employees were sampled on-site. The personal information was available at the HR Dept. No found young workers and child workers in the company.

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

Employee manual, employment policy, employee name list

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

Objective Evidence Observed:

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1) All employees are paid at least compliance with local minimum wages; interviewed workers state they are most favourable that they have basic income while taking care of their family.

2) All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment;

3) The workers know about the particulars of their wages for the pay period concerned each time that they are paid. (The company paid last month's wage on the 15th per month)

Social insurance was provided to all employees.

There were not deductions from wage from pay roll record and worker interview.

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

Wage payment detailed record near one year and delivery record by bank; Employee manual, Local minimum wage regulation: 1500 Yuan/month; the insurance purchasing record etc.

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.	
Description of Good Example (GE):	Objective Evidence Observed:

Wages analysis: (Click here to return to Key Information)		
A: 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)	26 samples from 12/2016 26 samples from 03/2017 (random month) 26 sample from 04/2017 (current month) (The wage was paid on 15 th every next month.)	
B: Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, please give details: NA
C: If there are different legal minimum grades, are all workers graded correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If No, please give details: NA
D: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and personal income tax	
E: Have all of these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If Yes, Please list all deductions that have been made: Social insurance and personal income tax
		If No, please give details on any deductions which have not been made: NA
F: Industry norm for this region: (please include time period e.g. hour/week/month)	Not available	

Wages table (Click here to return to Key information)			
Worker Type	Process Operator (Lowest paid)	Process Operator (Average paid)	Process Operator (Highest paid)
Select from individual worker records one worker from, lowest, average and highest wages and populate the boxes. Ensure comparison is made for same pay period and only uses full-time workers. See SMETA Best Practice Guidance and Measurement Criteria for completing this:			
A: Pay period: (State month selected)	Dec. 2016	Dec. 2016	Dec. 2016
B: Anonymous Employee Reference/Dept.	Worker A / Sewing process	Worker B / Sewing process	Worker C / Sewing process
C: Employee Gender	Female	Female	Female
D: Contracted/Standard working hours: (excluding OT – please include time period e.g. hour/week/month)	8 hours/day; 40 hours/week	8 hours/day; 40 hours/week	8 hours/day; 40 hours/week
E: Contracted /Standard work pay rate: (excluding OT – please include time period e.g. hour/week/month)	8.62 RMB/hours	8.62 RMB/hours	8.62 RMB/hours
F: Standard day overtime – hours: (please include time period e.g. hour/week/month)	35hours/month	35hours/month	35hours/month
G: Standard day overtime – wage: (please include time period e.g. hour/week/month)	452.55 RMB/month	452.55 RMB/month	452.55 RMB/month
H: Rest day overtime – hours: (please include time period e.g. hour/week/month)	40 hours/month	40 hours/month	40 hours/month
I: Rest day overtime – wage: (please include time period e.g. hour/week/month)	689.6 RMB/month	689.6 RMB/month	689.6 RMB/month
J: Statutory Holiday overtime – hours: (please include time period e.g. hour/week/month)	0	0	0

K: Statutory holiday OT – wages: (please include time period e.g. hour/week/month)	0	0	0
L: Total overtime hours: (please include time period e.g. hour/week/month)	75 hours/month	75 hours/month	75 hours/month
M: Incentives/Bonus/ Allowances etc.: (please include time period e.g. hour/week/month)	Full attendance allowance (60RMB/month) + food allowance (324RMB/month) + Seniority allowance (100 RMB/month) + Piece rate wage (2912 RMB/month)+ House allowance(232.96 RMB/month).	Full attendance allowance (60RMB/month) + food allowance (324RMB/month)+ Seniority allowance(160RMB/month)+ Piece rate wage(4036.60 RMB/month)+ House allowance (322.93RMB/month).	Full attendance allowance (60RMB/month) + food allowance (324RMB/month) + Seniority allowance (160 RMB/month)+ Piece rate wage(6217.70 RMB/month)+ house allowance(497.42 RMB/month)+ Highest product allowance(60 RMB/month)
N: Gross wages: (please include time period e.g. hour/week/month)	3628.96 RMB/month	4903.53 RMB/month	7319.12 RMB/month
O: Social insurance and other deductions; please list which and amount.	Personal income tax: 0 RMB/month Social Insurance: 184.32 RMB/month	Personal income tax: 36.58 RMB/month Social Insurance: 184.32 RMB/month	Personal income tax: 258.48 RMB/month Social Insurance: 184.32 RMB/month
P: Actual wage paid after deduction: (please include time period e.g. hour/week/month)	3444.64 RMB/month	4682.63 RMB/month	6876.32 RMB/month
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
<p>The company paid product workers based on piece rate: piece rate wage+ full attendance award + food allowance + house allowance + seniority pay + Highest production allowance. And the company calculated the basic wage and overtime wage, If the piece rate wage was lower Law Minimum wage, the company should pay the Law Minimum wage and overtime wage to workers.</p> <p>If workers are more efficient, they can get high piece rate wage; if workers are inefficient, they can get low piece rate wage on same position.</p> <p>Some position need more skill and experience, workers can get high hours rate.</p> <p>The company has paid the social insurance; the workers did not need to pay the social insurance.</p> <p>The company had a comprehensive timing approval from 07 Jul, 2015 to 20. Jun, 2017. The time record show total overtime was 432 hours on one year. It met with the requirement of comprehensive time approval, though the overtime of some month was 75 hours.</p> <p>The workers knew and agree to the requirement of comprehensive time approval. The company paid the overtime wage every month.</p> <p>Personal income tax should be raised if the gross wage is over 3500RMB.</p>			

<p>Q: Is there a defined living wage: <i>This is <u>not</u> normally minimum legal wage. If answered Yes please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please specify amount/time period: Living wage is 1231RMB/month from Jun. 2016 to Dec., 2016.</p>
<p>R: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>S: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Payroll</p>
<p>T: How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:</p>

6: Working Hours are not Excessive

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

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:

Normally, five days a week, 8 hours a day, Saturday as overtime and pay two times wage of normal time.

Most employees could have one day rest days per week.

All employees work in one shift : 8:00~12:00, 13:30~17:30;

The company paid office employees based on hour rate and paid product workers based on piece rate.

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

Employees electric attendance records, employee manual

Non-compliance: Nothing to report.	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law Local law and/or ETI requirement: Recommended corrective action:	Objective evidence observed: <i>(where relevant please add photo numbers)</i>

Observation: Nothing to report.	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed: Nothing to report.	
Description of Good Example (GE):	Objective Evidence Observed:

Working hours analysis			
Please include time period e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A: What timekeeping systems are used: time card etc.	Describe: Employees electric attendance records		
B: Sample Size Checked (State number of worker records checked and from which weeks/months and type – should be current, peak and random/low: See SMETA Best Practice Guidance and Measurement Criteria)	26 samples from 12/2016 26 samples from 03/2017 (random month) 26 sample from 05/2017 (current month)		
C: Do ALL workers have contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, state which type of workers do NOT have contracts/employment agreements: na	
D: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please state which type of workers do NOT have standard hours defined in contracts/employment agreements: na	
E: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Please complete as appropriate: <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other If "Other", Please define: na	
Standard/Contracted Hours worked			
F: Do standard/contracted standard hours ever exceed the law or 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES give details and comparison (local law/48 hrs week) na	
G: What are the actual standard/contracted hours worked in sample (State per week/month)	Highest hours:	40 hours/week,	
	Lowest hours:	40 hours/week,	
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Please give details Comprehensive working hour approval from 07 Jul, 2015	

site?		to 20 Jun., 2017;
Overtime Hours		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	2.5 hours/day; 18 hours/week;
	Lowest OT hours:	0 hours/day; 0 hours/week;
J: Range of overtime hours over all workers/or as large a sample as possible. (State per week/month and details)	Weekly overtime: 0_ to _18_ in _Dec. 2016_ (month) 0_ to _18_ in _Mar. 2017_ (month) 0_ to _18_ in _May. 2016_ (month)	
K: Approximate percentage of workers on highest overtime hours	___90___ %	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<i>Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:</i> Overtime work is a voluntary choice by employees.
Overtime Premiums		
M: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Please give details of normal day overtime premium as a % of standard wages:</i>
	<input type="checkbox"/> 0% <input type="checkbox"/> 1 – 115% <input type="checkbox"/> 116 – 124% <input type="checkbox"/> 125 – 149% <input checked="" type="checkbox"/> 150 – 199% <input checked="" type="checkbox"/> 200%+	Any other comments: 150%, 200%
N: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input checked="" 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	
	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.	
	na	
Rest Days		
O: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Maximum number of days worked without a day off (in sample):

day-period (where the law allows)?		6
Total Hours		
P: Range of total hours: (Quote highest and lowest please include time period e.g. hour/week/month)	Highest total hours	58 hours/week from Dec.2016 58 hours/week from Mar.2017 58 hours/week from May.2017
	Lowest total hours	40 hours/week from Dec.2016 40 hours/week from Mar.2017 40 hours/week from May.2017
R: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<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 na	
	Please explain any checked boxes in R above	
	na	
Comments: NIL (please state here any specific reasons/circumstances that explain the highest working hours)		
Please add details of examples where the site has demonstrated "exceptional circumstances". Nothing to report		
Please give details of any appropriate safeguards in place at the time of the 60+ hours working. Nothing to report		
Any other comments: Nothing to report		

7: No Discrimination is Practiced

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

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:

No negative finding. Recruitment announcement, electronic employment advertisement showing in the highest place of production building

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

Recruitment announcement, electronic employment advertisement showing in the highest place of production building

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

Objective Evidence Observed:

8: Regular Employment Is Provided

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

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.

Current Systems and Evidence Examined

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

Current systems:

All employees are permanent, all have labour contracts with the supplier, the purchasing rate of social insurance is approved by local government.

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

Employee manual, labour contract, insurance purchasing records, approval for social insurances.

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

Objective Evidence Observed:

8A: Sub-Contracting and Homeworking

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

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.

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:

No homeworking was found on the company.

One subcontractor of printing process was used in the company. Relevant business license, assessment report and relevant materials input records were provided for review.

Subcontracting was approved by main client.

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

1. Business license, assessment report and relevant materials input records of subcontractor
2. Management interview and employee interview
3. Factory tour
4. Quality records
5. Approved file by client of subcontractor.

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

Process Subcontracted	Process 1	Process 2
Name of factory	Co.,LTD.	print factory
Address	Xiamen City.	Xi amen,China

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.	
Description of observation: Local law or ETI/Additional elements requirement: Comments:	Objective evidence observed:

Good Examples observed: Nothing to report.	
Description of Good Example (GE):	Objective Evidence Observed:

Summary of sub-contracting – if applicable	
A: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details: Approved file by client of subcontractor can be provided at place.
B: Number of sub-contractors/agents used	2
C: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details: the site policy on sub-contracting was established, it was same as ETI requirement.
D: What checks are in place to ensure no child labour is being used and work is safe?	The company conducted onsite evaluating to sub-contracting, the record can be provided at place.
E: What processes are sub-contracted?	Printing.

Summary of homeworking – if applicable--NA			
F: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, summarise details:		
G: Number of homeworkers	Male: 0	Female: 0	Total: 0
H: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents-----NA		
I: If through agents, number of agents	NA		
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No-----NA		
K: How does site ensure worker hours and pay meet local laws for homeworkers?	NA		
L: What processes are carried out by homeworkers?	NA		
M: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA		
N: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No-----NA		

9: No Harsh or Inhumane Treatment is Allowed

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

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.

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 no disciplinary practice record, but the monthly performance bonus evaluation included the factory rules and will degrade the performance bonus if violating the factory rule.

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

Disciplinary practices have defined in Employees manual,

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report.

Description of Good Example (GE):

Objective Evidence Observed:

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

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

Additional Elements

- 10A1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.
 10A3 Employment agencies must only supply workers registered with them.
 10A4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

Current Systems and Evidence Examined

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

Current systems:

All employees have the copy of ID card, this means they all are entitled to work. No immigration employees.

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

Copies of ID card

Non-compliance: Nothing to report.

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report.

Description of observation:

Local law or ETI/Additional Elements requirement:

Comments:

Objective evidence observed:

Good examples observed: Nothing to report.

Description of Good Example (GE):

Objective Evidence Observed:

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

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

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

B.4. Compliance Requirements

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

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

10B4.3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.

B4. Guidance for Observations

10B4.4. Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.5. Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.6. Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.7. The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.8. Suppliers shall seek to make continuous improvements in their environmental performance.

10B4.9. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation

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

10B.4.11. Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current systems:

The environment evaluating report was reviewed, no air quality and hazardous waste was made in process. Only live waste water was made, it was collected by pipe and discharged to local city waste water treatment plant. Local environmental protection bureau approved discharge permit on 2014. The files show the company's activity met the environmental requirements.

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

Construction project environmental influence report form; approved by Xiamen city, Haicang district Environmental protection bureau on 14/08/2014; valid date: 13/08/2017.

Environmental testing report: JAT160516E-LYJ03-00, test date –May 18, 2016;

Non-compliance: Nothing to report.	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Local law and/or ETI/Additional Elements requirement: Recommended corrective action:	Objective evidence observed: <i>(where relevant please add photo numbers)</i>

Observation:	
Description of observation: The company did not establish the environmental policy. Local law or ETI/Additional elements requirements: ETI/Additional Elements requirement: 10B4.5. Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. Comments: Establish the environmental policy, covering the environmental impact and communicate the policy to all appropriate parties.	Objective evidence observed: Management interview, document review

Good examples observed: Nothing to report.	
Description of Good Example (GE):	Objective Evidence Observed:

Environmental Analysis		
(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)		
A: Responsible for Environmental issues (Name and Position):	Mr. Yin YE;HR manager	
B: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: NA	
C: Does the site have an Environmental policy? (For guidance, please see Measurement criteria)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the site have a Biodiversity policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
E: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: NA	
F: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Based on documents review and management interview, it was noted that the factory attained all the legal environmental documents and all the processing in the factory complied with the requirements of local and international laws and regulations.	
G: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details: The process was defined in the chemical controlled operation procedure, the records were kept well.	
H: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The HR department was charge of collecting the client's requirements and legislation, and transferred the requirement in the internal product standard.	
Usage/Discharge analysis		
Criteria	Current year: Please state period: <u>Jan. 1, 2017 to Apr. 30, 2017</u>	Previous Year: Please state period: <u>Jan. 1, 2016 to Dec. 31, 2016</u>
Electricity Usage: Kw/hrs	98660 Kw/hrs	321,080 Kw/hrs
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0	0

Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please state result		
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> • local water authority • • • 	<ul style="list-style-type: none"> • local water authority • • •
Water Volume Used: (m ³)	1450 m ³	4530 m ³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> • Municipal pipe • • • 	<ul style="list-style-type: none"> • Municipal pipe • • •
Water Volume Discharged: (m ³)	1450 m ³	4530 m ³
Water Volume Recycled: (m ³)	0	0
Total waste Produced (please state units)	9 TONS	46 TONS
Total hazardous waste Produced: (please state units)	0 TONS	0 TONS
Waste to Recycling: (please state units)	3 TONS	26 TONS
Waste to Landfill: (please state units)	6 TONS	20TONS
Total Product Produced (please state units)	7130599 PCS	32171178 PCS

10C: Business Ethics – 4-Pillar Audit
(Click here to return to NC-table)
To be completed for a 4-Pillar SMETA Audit

10C. Guidance for “Observations”

- 10C.1. Suppliers should have completed the appropriate section of the SAQ and have made it available to the auditor.
- 10C.2. The supplier should have received and acknowledged– preferably in writing – the Business Ethics policy of the auditor/audit company.
- 10C.3. Suppliers shall seek to conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.4. Suppliers shall be aware of any applicable laws, their end client’s Business Ethics standards/code requirements and have a system in place to monitor their performance against these.
- 10C.5. Supplier should have a Business Ethics policy concerning bribery, corruption, or unethical Business Practice. This should be clearly communicated to all relevant parties.
- 10C.6. Suppliers should have a designated person responsible for implementing standards concerning Business Ethics
- 10C.7. Suppliers should have a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter
- 10C.8. Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit and the main requirement is to gather information on the relevant Business Ethics issues in a supply chain. All findings will be recorded as observations not Non- Compliances and the data collected will allow the membership to define appropriate standards over time as part of a continuous review process.

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 documents review and management interview, it was noted that the factory trained the staff whose job roles carry a higher level of risk e.g. sales, purchasing on Mar. of 2017.

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

Business ethics document, such as employee handbook, procedure and training requirement were established.

Observation: Nothing to report.

Description of observation:

Local law or ETI/Additional elements requirement:

Comments:

Objective evidence observed:

Good examples observed: Nothing to report.	
Description of Good Example (GE):	Objective Evidence Observed:

Worker Interview Summary

Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	20 employees in 4 groups of 5	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 3	Female: 3
E: Total number of interviewed workers <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 10	Female: 16
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?	Nil.	
I: What did the workers like the most about working at this site?	The company is regular and the benefit was good in the area.	
J: Any additional comment(s) regarding interviews:	Nil.	
K: Attitude of workers to hours worked:	Positive.	

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site)</i>	
A: Number of agencies used (average):	0 And names if available:
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No na
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No na

Other findings

Other Findings Outside the Scope of the Code

Nothing to Report

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)

Nothing to Report

Appendix 1. Comparison between ETI Code (version April 2014) and Customer's Supplier's Code

Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR.

Note to customer's supplier: For some customers it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet the supplier's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions may be necessary.

NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.

Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.

ETI Code	Customer's Supplier Code equivalent
ETI 0. Management Systems and ETI Code Implementation	ETI 0. Management Systems and ETI Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p> <p><i>Note: 0.4. Is for information only and is not a specific requirement of the code.</i></p>	<p>Mondelēz International's Code of Conduct contains important rules we all must follow as we do business, and it describes the values that will guide us in our decisions. We all have to obey applicable laws, rules, and regulations. Also, we must follow our company policies, including those specific to a business unit, function, and location. Beyond that, the Code of Conduct sets out the ten most important rules that apply company-wide. Our Chief Compliance Officer oversees the company's compliance and integrity program, which addresses the issues covered by the Code of Conduct.</p> <p>The Code of Conduct is available on our public internet site, and is available on our company intranet site in several languages.</p> <p>We also have established Corporate Responsibility Expectations for Direct Suppliers, which we make available on our public internet site. These Expectations are an extension of the principles contained in our Code of Conduct, and we cover them through contract provisions that specifically incorporate our corporate responsibility expectations.</p>

<p>ETI 1. Employment is freely chosen</p> <p>1.1. There is no forced, bonded or involuntary prison labour.</p> <p>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.</p>	<p>ETI 1. Employment is freely chosen</p> <p>Mondelēz International prohibits the use of forced labor in our operations, i.e., any work or service that a worker performs involuntarily, including under threat of physical harm or other penalty.</p> <p><u>The Mondelēz International Statement on Human Rights</u> guides our approach. And, in line with the California Transparency in Supply Chains Act (SB 657), our website provides more detail on our efforts to help make a difference in our operations and those of our suppliers.</p>
<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p> <p>2.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>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.</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p> <p>We aim to have constructive relationships with our employees and their unions. Mondelēz International respects the interests of its employees to join (or not join) a union. In those situations where our employees have third-party representation, we will work with employee representatives in a direct and straightforward manner.</p>
<p>ETI 3. Working conditions are safe and hygienic</p> <p>3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.</p>	<p>ETI 3. Working conditions are safe and hygienic</p> <p>We use internal and external expertise to provide a safe work environment. Specifically, we: (i) provide safety training for all employees as required for their work; (ii) establish first aid and medical treatment procedures to provide employees with appropriate care; (iii) conduct careful investigations of accidents to avoid recurrence, and study the safety and health features of any new equipment, materials or process; and (iv) solicit employee involvement and support through safety committees or other avenues for employee input.</p>

ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1. There shall be no new recruitment of child labour.</p> <p>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; "child" and "child labour" being defined in the appendices.</p> <p>4.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4. These policies and procedures shall conform to the provisions of the relevant ILO standards.</p>	<p>Mondelēz International prohibits the unlawful employment or exploitation of children in our workplace. In accordance with the conventions of the International Labor Organization (ILO) and national laws, the minimum age for employment is the highest of the following ages: (i) 15 years of age, (ii) the local minimum employment age, or (iii) the mandatory schooling age. All temporary workers used by Mondelēz International and all third-party contractors who perform work on our premises are required to meet these minimum-age requirements.</p>
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>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.</p> <p>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.</p> <p>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.</p>	<p>Except for collective bargaining at union represented facilities, we compensate employees competitively within the labor market and industries in which we compete; provide superior levels of compensation for superior performance; and focus rewards on individual contributions and business results. Further, we provide equal opportunity for advancement to all of our employees.</p>
ETI 6. Working Hours are not excessive (April 2014)	ETI 6. Working Hours are not excessive
<p>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.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.*</p> <p>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.</p> <p>6.4 The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p>	<p>We are expected to, by company standards, adhere to local law, and employee negotiated labour and wage contracts, with regards to working hours, to ensure the safety and health of our employees while supporting our business demands.</p>

<p>6.5 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> • 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. <p>6.6 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.</p> <p>* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.</p>	
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
<p>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.</p>	<p>We prize a diverse and inclusive workplace and aim to promote cultural and individual differences. Mondelēz International does not discriminate in employment or employee treatment based upon any of the following characteristics: race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.</p>
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>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.</p>	<p>We are expected to, by company standards, adhere to local law, industry practices, and employee negotiated labour and wage contracts with regards to labour contracting, while supporting our business demands.</p>
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
<p>Physical abuse or discipline, the threat of physical</p>	<p>Mondelēz International will not tolerate any form of</p>

abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.	harassment including harassment based on race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.
ETI 10. Entitlement to Work, Migrant and Agency Labour	ETI 10. Entitlement to Work, Migrant and Agency Labour
<p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p> <p>10A.3 Employment agencies must only supply workers registered with them.</p> <p>10A.4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p>	We are expected to, by company standards, adhere to local law and applicable contracts with regards to contract labor.

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>D1. Suppliers as a minimum shall meet the requirements of local and national laws related to environmental standards.</p> <p>D2. Suppliers shall seek to make continuous improvements in their environmental performance.</p> <p>D3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.</p> <p>D4. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation.</p> <p>D5. Suppliers should be aware of the significant environmental impacts of their site and its processes.</p> <p>D6. Suppliers should have an environmental policy, covering its environmental impacts, which are communicated to all appropriate parties, including their own suppliers.</p> <p>D7. Suppliers should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.</p> <p>D8. Where appropriate suppliers must be able to demonstrate that they have the relevant valid permits for use and disposal of resources e.g. water, waste, etc.</p>	We are expected to, by company standards, adhere to applicable laws. We work to continuously improve our environmental performance by setting and then working toward quantifiable goals that reduce the environmental impact of our activities.
Business Practices Section	

E1. As a minimum, suppliers must comply with the requirements of local and national laws and regulations in the area of business integrity.

E2. Suppliers shall seek to conduct their business ethically without bribery, corruption or any other type of fraudulent or unfair business practice.

E3. Suppliers shall be aware of their end client's business integrity standards/code requirements and have a system in place to monitor their performance against these.

E4. Suppliers should have a business integrity policy concerning bribery, corruption or unethical business practice. This should be clearly communicated to all relevant parties.

E5. Suppliers should have a transparent system in place for confidentially reporting, and dealing with, unethical business practices, without fear of reprisals towards the reporter.

We promote honesty and integrity in our business conduct by raising ethical awareness among our employees and providing direction and education on ethical issues. Further, we prohibit bribes, kickbacks, or and any other illegal inducements in business or government relationships.

We expect employees to ask questions and raise concerns about business practices when they see something they think might be wrong. There may be times when employees are not comfortable speaking with their supervisors, compliance officers or human resources contacts, or simply wish to remain anonymous. Consistent with applicable local law, we have a toll-free and in some countries a collect call/reverse charge telephone HelpLine and an online version WebLine, so that our employees can confidentially and, if they wish, anonymously report instances of suspected wrongdoing or ask questions about compliance matters. Our HelpLine operates in more than 90 countries.

As described on our public internet site, reports from people outside of the company of suspected wrongdoing may also be brought to our attention in four ways: (1) by mail; (2) by email; (3) through our HelpLine; and (4) through our WebLine.

Photo Form

		
The gate of this industrial zone	Reception hall	office
		
Sewing workshop	Double-needle workshop with noise	Pressing machine with ultrasonic sound
		
Cutting workshop	Drinking water zone	Fire extinguishers

		
First aid kit	Fire hydrant	Fire evacuation plan
		
Attendance recording machine	Bulletin board	Elevator
		
Air compressor tank	Cutting process	Fire verification report for this building

		
Electrical distribution room	Exit label and emergency light	PPE wearing
		
Air compressor tank	Cutting process	Fire verification report for this building
		
No secondary container		

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 A & AB members:

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Ing5lw_3d_3d

Click here for B members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRqIY_2brq_3d_3d



For more information on Sedex please go to www.sedexglobal.com
or email auditing@sedexglobal.com

SMETA Corrective Action Plan Report (CAPR)

Version 5.0.1 – Customer Code version, Dec 2014

Supplier name:		Co., Ltd
Site country:	China	
Site name:		Co., Ltd
Parent Company name (of the site):	NA	
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar
Date of Audit	31 st May, 2017 10 th July, 2017	

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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
 - Management systems and code implementation,
 - 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.

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.





Audit Company Name: Bureau Veritas	Report Owner (payee): [REDACTED] Co., Ltd
Sedex Company Reference: (only available on Sedex System)	[REDACTED]
Sedex Site Reference: (only available on Sedex System)	[REDACTED]

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

Auditor Reference Number: (If applicable)	NA
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Audit Details

Audit Details			
A: Report #:			
B: Time in and time out (SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)	Day 1 Time in: 9:00 Day 1 Time out: 20:00		
C: Number of Auditor Days Used: (number of auditor x number of days)	2 auditor * 1.25 days =2.5 man days on site,		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define		
E: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If No, why not? (Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)	NA		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Zhihua Zhu /Lead auditor, Youlian Liu/ Member Zhihua Zhu/leader		
I: Report written by:	Zhihua Zhu / Youlian Liu Zhihua Zhu		
J: Report reviewed by:	Chitra Kawale		
K: Report issue date:	9 th June 2017		
L: Supplier name:			
M: Site name:			
N: Site country:	China		
O: Site contact and job title:	Mr. Yin YE, Manager		
P: Site address: (Please include full address)	Xiamen City , FuJIAN province, P R China		

Site phone:				
Site fax:	NA			
Site e-mail:				
Q: Applicable business and other legally required licence numbers:for example, business license no, and liability insurance	business license: Valid date: 05/Nov./2007 to 04/Nov./2027			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacture of non-woven bags			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	Mr. Yin YE, Manager			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Mr. Yin YE; HR manager &MR and OHS representative Ms. Lihua LIU, Product manager Mr. Weizhong JIANG, Worker representative Ms. Dan XIE,HR Director			
W: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name) : Co., Ltd trade union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Y: Previous audit date:	27 th ~29 th April. 2016			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*If other, please define: na				

Corrective Action Plan

Corrective Action Plan – non-compliances (ETI Code)									
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>
0: Management systems and code implementation Minor	New/old	The factory did not communicate this Code to all employees by training as confirmed by training records and worker interviews.	To be filled by company	The factory shall communicate this Code to all employees by training as confirmed by training records and worker interviews.	60 days	Desktop	Mr. Yin YE, Manager	The factory provided the training to all workers again and the training record can be provided.	Closed

Corrective Action Plan – non-compliances (Local Law)									
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>
No. 3.1 Working Conditions are Safe and Hygienic (Major)	New/old	Earplugs were not worn for 3 out of 9 workers in double-needle sewing position.	To be filled by company	Ensure the workers in all relevant positions wear appropriate PPE such as steel glove, ear pluses during the work. Conduct occupational disease physical exam for all relevant workers.	30 days	Desktop	Mr. Yin YE, Manager	The factory had provided earplugs to the relevant workers, and the occupational disease physical examination was provided to relevant workers.	Closed
No. 3.1 Working Conditions are Safe and Hygienic (Major)	New/old	The chemicals were not stored well, such as chemical container put together with the clothing, machine oil flowing into the ground, no leakage-proof container for the lubricant oil.	To be filled by company	The chemicals shall be put in separated places and have anti-leakage secondary container, avoid to flow in the ground directly.	60 days	Desktop	Mr. Yin YE, Manager	The factory had provided chemical to double container for preventing leakage.	Closed
ETI3.1	New/old	It was noted that no	To be filled by	The company must	30 days	Desktop	Mr. Yin YE,	The factory had	Closed

Working Conditions are Safe and Hygienic Major		writing occupational hazards notification for relevant workers was in place, though the company provide the relevant training to them.	company	provide writing occupational hazards notification for relevant workers in place.			Manager	provided writing occupational hazards notification for relevant workers.	
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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>
10C.4	New	The company did not establish the environmental policy.	Filled by the site	Establish the environmental policy, covering the environmental impact and communicate the policy to all appropriate parties.

Good examples		
Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
	Nothing to report.	

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: Manager Manager
		Date: 31 st May 2017 10th July, 2017
B: Auditor Signature:	Mr. Zhihua Zhu Mr. Zhihua Zhu	Title: Lead auditor
		Date: 31 st May 2017 10th July, 2017
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:		
None		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)	NA	Title Date
F: Any other site Comments: None		

Appendix 1. Comparison between ETI Code (version April 2014) and Customer's Supplier's Code

Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR.

Note to customer's supplier: For some customers it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet the supplier's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions may be necessary.

NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.

Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.

ETI Code	Customer's Supplier Code equivalent
ETI 0. Management Systems and ETI Code Implementation	ETI 0. Management Systems and ETI Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p> <p><i>Note: 0.4. Is for information only and is not a specific requirement of the code.</i></p>	<p>Mondelēz International's Code of Conduct contains important rules we all must follow as we do business, and it describes the values that will guide us in our decisions. We all have to obey applicable laws, rules, and regulations. Also, we must follow our company policies, including those specific to a business unit, function, and location. Beyond that, the Code of Conduct sets out the ten most important rules that apply company-wide. Our Chief Compliance Officer oversees the company's compliance and integrity program, which addresses the issues covered by the Code of Conduct.</p> <p>The Code of Conduct is available on our public internet site, and is available on our company intranet site in several languages.</p> <p>We also have established Corporate Responsibility Expectations for Direct Suppliers, which we make available on our public internet site. These Expectations are an extension of the principles</p>

	contained in our Code of Conduct, and we cover them through contract provisions that specifically incorporate our corporate responsibility expectations.
ETI 1. Employment is freely chosen	ETI 1. Employment is freely chosen
<p>1.1. There is no forced, bonded or involuntary prison labour.</p> <p>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.</p>	<p>Mondelēz International prohibits the use of forced labor in our operations, i.e., any work or service that a worker performs involuntarily, including under threat of physical harm or other penalty.</p> <p><u>The Mondelēz International Statement on Human Rights</u> guides our approach. And, in line with the California Transparency in Supply Chains Act (SB 657), our website provides more detail on our efforts to help make a difference in our operations and those of our suppliers.</p>
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<p>2.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>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.</p>	<p>We aim to have constructive relationships with our employees and their unions. Mondelēz International respects the interests of its employees to join (or not join) a union. In those situations where our employees have third-party representation, we will work with employee representatives in a direct and straightforward manner.</p>
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4. Accommodation, where provided, shall be clean,</p>	<p>We use internal and external expertise to provide a safe work environment. Specifically, we: (i) provide safety training for all employees as required for their work; (ii) establish first aid and medical treatment procedures to provide employees with appropriate care; (iii) conduct careful investigations of accidents to avoid recurrence, and study the safety and health features of any new equipment, materials or process; and (iv) solicit employee involvement and support through safety committees or other avenues for employee input.</p>

safe, and meet the basic needs of the workers. 3.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.	
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
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; "child" and "child labour" being defined in the appendices. 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.	Mondelēz International prohibits the unlawful employment or exploitation of children in our workplace. In accordance with the conventions of the International Labor Organization (ILO) and national laws, the minimum age for employment is the highest of the following ages: (i) 15 years of age, (ii) the local minimum employment age, or (iii) the mandatory schooling age. All temporary workers used by Mondelēz International and all third-party contractors who perform work on our premises are required to meet these minimum-age requirements.
ETI 5. Living wages are paid	ETI 5. Living wages are paid
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.	Except for collective bargaining at union represented facilities, we compensate employees competitively within the labor market and industries in which we compete; provide superior levels of compensation for superior performance; and focus rewards on individual contributions and business results. Further, we provide equal opportunity for advancement to all of our employees.
ETI 6. Working Hours are not excessive (April 2014)	ETI 6. Working Hours are not excessive
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	We are expected to, by company standards, adhere to local law, and employee negotiated labour and wage contracts, with regards to working hours, to ensure the safety and health of our employees while supporting our business demands.

<p>recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> • 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. <p>6.6 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.</p> <p>* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.</p>	
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
<p>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.</p>	<p>We prize a diverse and inclusive workplace and aim to promote cultural and individual differences. Mondelēz International does not discriminate in employment or employee treatment based upon any of the following characteristics: race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.</p>
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>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</p>	<p>We are expected to, by company standards, adhere to local law, industry practices, and employee negotiated labour and wage contracts with regards to labour contracting, while supporting our business demands.</p>

fixed-term contracts of employment.	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.	Mondelēz International will not tolerate any form of harassment including harassment based on race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.
ETI 10. Entitlement to Work, Migrant and Agency Labour	ETI 10. Entitlement to Work, Migrant and Agency Labour
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. 10A.3 Employment agencies must only supply workers registered with them. 10A.4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.	We are expected to, by company standards, adhere to local law and applicable contracts with regards to contract labor.

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
D1. Suppliers as a minimum shall meet the requirements of local and national laws related to environmental standards. D2. Suppliers shall seek to make continuous improvements in their environmental performance. D3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these. D4. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation. D5. Suppliers should be aware of the significant environmental impacts of their site and its processes. D6. Suppliers should have an environmental policy, covering its environmental impacts, which are communicated to all appropriate parties, including their own suppliers. D7. Suppliers should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance. D8. Where appropriate suppliers must be able to	We are expected to, by company standards, adhere to applicable laws. We work to continuously improve our environmental performance by setting and then working toward quantifiable goals that reduce the environmental impact of our activities.

demonstrate that they have the relevant valid permits for use and disposal of resources e.g. water, waste, etc.	
Business Practices Section	
<p>E1. As a minimum, suppliers must comply with the requirements of local and national laws and regulations in the area of business integrity.</p> <p>E2. Suppliers shall seek to conduct their business ethically without bribery, corruption or any other type of fraudulent or unfair business practice.</p> <p>E3. Suppliers shall be aware of their end client's business integrity standards/code requirements and have a system in place to monitor their performance against these.</p> <p>E4. Suppliers should have a business integrity policy concerning bribery, corruption or unethical business practice. This should be clearly communicated to all relevant parties.</p> <p>E5. Suppliers should have a transparent system in place for confidentially reporting, and dealing with, unethical business practices, without fear of reprisals towards the reporter.</p>	<p>We promote honesty and integrity in our business conduct by raising ethical awareness among our employees and providing direction and education on ethical issues. Further, we prohibit bribes, kickbacks, or any other illegal inducements in business or government relationships.</p> <p>We expect employees to ask questions and raise concerns about business practices when they see something they think might be wrong. There may be times when employees are not comfortable speaking with their supervisors, compliance officers or human resources contacts, or simply wish to remain anonymous. Consistent with applicable local law, we have a toll-free and in some countries a collect call/reverse charge telephone HelpLine and an online version WebLine, so that our employees can confidentially and, if they wish, anonymously report instances of suspected wrongdoing or ask questions about compliance matters. Our HelpLine operates in more than 90 countries.</p> <p>As described on our public internet site, reports from people outside of the company of suspected wrongdoing may also be brought to our attention in four ways: (1) by mail; (2) by email; (3) through our HelpLine; and (4) through our WebLine.</p>

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 A & AB members:

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

Click here for B members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRqIY_2brq_3d_3d



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