



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 413461013	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 413462170
Business name (Company name):	Autron Industry Co., Ltd		
Site name:	Autron Industry Co., Ltd 广州市奥创皮具有限公司		
Site address: <i>(Please include full address)</i>	No. 6, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province. 广东省广州市花都区狮岭镇振兴北路 6 号	Country:	China
Site contact and job title:	Austin Chen / General Manager		
Site phone:	020-86988609	Site e-mail:	austin@autron-ind.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	Jul 20, 2021		

Audit Company Name & Logo: SGS-CSTC Standards Technical Services Co., Ltd. 	Report Owner (payer): Autron Industry Co., Ltd
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

To confirm the validity of this report, please visit

<https://www.sedex.com/audit-verifier/>

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Samuel Hu	APSCA number: RA21703585
Lead auditor APSCA status: RA	
Team auditor: Nil	APSCA number: Nil
Interviewers: Samuel Hu	APSCA number: RA21703585

Report writer: Samuel Hu
Report reviewer: Amber Gong

Date of declaration: Jul 20, 2021

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. Safety and Hygienic Conditions	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	Summary of Non-Compliance finding: 1. Auditor noted not all employees receive all required social insurance benefits. Summary of Observation finding: Nil Summary of GE: Nil
6. Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	Summary of Non-Compliance finding:

										1. The factory didn't ensure the worker's overtime meets the legal requirement. Summary of Observation finding: Nil Summary of GE: Nil
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA	NA
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	0	Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	0	Nil

General observations and summary of the site:

Site Summary:

- The products manufactured at this site were women bags.
- Overall responsibility for meeting the standards was taken by Austin Chen / General Manager.
- There were 55 permanent workers in the factory during the audit, including 12 local workers and 43 migrant workers, all of them were hired by the factory directly, and migrant workers are mainly from Guizhou, Sichuan and Chongqing province.
- There were evidences of both male and female in management and among supervisor. The distribution was Male 70%, Female 30%.

- Neither young worker nor child labour in the factory, the youngest worker was 22 years and born on Aug 29, 1998 and recruited by the factory on Oct 10, 2021.
- There were 2 workers representatives elected at this factory.
- There was no obvious peak season in the factory.
- No forced labour and harsh or inhumane treatment were identified during the audit.
- Based on interview with management & workers and document review, it was identified that the factory had established the effective employment policies & program.
- The employees obtained their job by themselves or by recommendation, they did not require to lodging deposits or their ID card to the factory at the beginning of employment, and they were free to leave their employer after reasonable notice (normally one month in advance).
- Adequate and sufficient fire extinguishers, hydrants and fire alarms were available onsite and were inspected regularly.
- The factory would conduct fire drills twice a year which included firefighting exercise and evacuation exercise. The last drill was conducted on May 18, 2021.
- First aid kits were available at workshops. 2 workers were trained as first aiders.
- Drinking water was clean and available for workers.
- Toilets were clean and sufficient for male and female.
- One qualified electrician was charge in the electrical work
- The accident and injury records were kept in file.
- 10 workers were selected for interview including 6 males and 4 females; they were interviewed as 1 group of 4 with mixed group and the balance of 6 workers were interviewed individually.
- 10 sample records to show wages were taken from Oct 2020 to Jun 2021 and attendance records from Oct 1, 2020 to audit date.
- Legal minimum wage was paid to all workers at least RMB 2500 per month, which above the legal requirement (RMB 2100 per month).
- All workers' wages were paid by hourly rate based on payroll review.
- The workers were paid on the 5th of each following month by cash.
- Based on the provided attendance records, overtime hours in sample: 0-2 hours/day, 0-16 hours/week, 10-70 hours/month.

Remark: Based on management interview and business license review, the audited factory established on Oct 10, 2020. Therefore, all the documents provided since Oct 10, 2020 during the audit.

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

Site Details

Site Details		
A: Company Name:	Autron Industry Co., Ltd	
B: Site name:	Autron Industry Co., Ltd 广州市奥创皮具有限公司	
C: GPS location: (If available)	GPS Address: No. 6, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province. 广东省广州市花都区狮岭镇振兴 北路 6 号	Latitude: 23°28'14''N Longitude: 113°9'33''E
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 91440101MA9UW1AH0D Valid from Oct 10, 2020 to long term	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Women bags	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Autron Industry Co., Ltd was located at No. 6, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province. A total of 55 employees were currently working in the factory, which included 45 production employees and 10 non-production employees. Migrant employees mostly come from other provinces in China, such as Guizhou, Sichuan and Chongqing province etc. All workers were hired by the factory directly. All employees worked for 8 hours/ day and 5 days/ week in day shift as normal working hours. Printing and punching workers worked for 1 shift: 8:00-12:00/13:30-17:30 and OT time: 18:30-20:30. Employees' wages were calculated on hourly rate, their basic wage (1st to 31th) and overtime wage (1st to 31th) was paid on 5th of next month by cash.</p> <p>For below, please add any extra rows if appropriate.</p>	

	Production Building	Description	Remark, if any
	Floor 1	Cutting, warehouse	Built in 1998
	Floor 2	Sewing, Buttoning, Oiling, Packing	Built in 1998
	Floor 3(partly)	warehouse	Built in 1998
	Is this a shared building?	No	
	Office Building	Description	Remark, if any
	Floor 1	Office, Showroom	Built in 1998
	Floor 2	Office	Built in 1998
	Floor 3	Office	Built in 1998
	Is this a shared building?	No	
	<p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Based on onsite observation, no visible structural integrity issues such as cracks was found.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: Based on document review, the factory provided the Building Structure Safety Certificates for all site buildings, they were acceptable.</p>		
	G: Site function:	<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)	No peak season was obvious in the factory.	
	I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Main products: Women bags. Processes: cutting – sewing – buttoning – oiling - packing. Number of production lines: 2. Main equipment used: cutting machines, sewing machines, buttoning machines etc...	

<p>J: What form of worker representation / union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p>
<p>K: Is there any night production work at the site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. 0% of workers in on site accommodation</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA. No off site provided accommodation buildings for audited factory.</p>

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 09:30 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: 09:30 A4: Day 2 Time out: 12:00	A5: Day 3 Time in: NA A6: Day 3 Time out: NA
B: Number of auditor days used:	1.5 MD (one auditor x 1.5 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks from Jul 12, 2021 to Jul 24, 2021 <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Austin Chen / General Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	NA		
J: Previous audit type:	NA		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	5	0	0	23	0	0	0	28
Worker numbers – female	7	0	0	20	0	0	0	27
Total	12	0	0	43	0	0	0	55
Number of Workers interviewed – male	1	0	0	5	0	0	0	6
Number of Workers interviewed – female	0	0	0	4	0	0	0	4
Total – interviewed sample size	1	0	0	9	0	0	0	10



A: Nationality of Management	China	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: ___ Chinese ___ B2: Nationality 2: _____ B3: Nationality 3: _____</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: NA. The was no peak periods in the factory.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 __100%____ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate D1: __100%____% hourly paid workers D2: _____% salaried workers</p> <p>Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: __100%____% monthly paid D6: _____% other D7: If other, please give details</p>	



Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group with 4 workers (total 4 workers)	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 4	D2: Female: 2
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	All interviewed workers had a positive attitude to management and site, and no worker complained during the interview.	
I: What did the workers like the most about working at this site?	All workers reflected that they were satisfied with manner of factory management, working environment, and the wages & benefits.	
J: Any additional comment(s) regarding interviews:	Workers were cooperative. Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.	
K: Attitude of workers to hours worked:	Most workers said that the overtime hours were acceptable.	

L. Is there any worker survey information available?

- Yes
 No

L1: If yes, please give details:

M: Attitude of workers:

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

10 workers were selected for interview including 6 male employees and 4 female employees, 6 employees were selected for the individual interview and total 4 employees in 1 group was selected for the group interview.

The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory, such as the working machines and working environment were good. And they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working condition to their supervisors who would take it to the worker management committee.

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

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

Worker representatives reflected that the factory management was kind and the workplace was comfortable and would pay special attention to workers' suggestion and complaint. No any negative information was identified during the audit.

O: Attitude of managers:

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

Management interview was conducted through the audit. The factory welcomed the SGS auditor to conduct the ETI audit. They agreed that auditor could access to all facilities, compound, documents and records requested, to take photos of the factory, copy relevant document and conduct confidential workers interview.

The factory management were not familiar with individual requirements and were willing to take corrective action for the findings identified during the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established a policy, endorsed at the highest level, covering human rights impacts and issues, and ensured the policy communicated to all appropriate parties, including its own suppliers.
2. Austin Chen / General Manager was a designated person responsible for implementing standards concerning human rights.
3. The factory had identified their stakeholders and salient issues.
4. The factory had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

Workers interview and management interview

Employee handbook review

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had established relevant policy about human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Austin Chen Job title: General Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in HR office.</p>

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: Nil</p> <p>Local law or ETI/Additional elements / customer specific requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __NA__ %	A2: This year __2__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	3%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __NA__ %	C2: This year __2__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	2%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The factory had kept work injuries records.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: NA	F2: This year: Number:0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: NA	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __NA__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___NA___% workers	J2: 12 months ___0___% workers
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0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

- The factory appointed Austin Chen / General Manager to be responsible for compliance with ETI Base Code.
- The factory established social responsibility system and policy in the factory.
- The factory conducted internal social responsibility audit in the factory.
- The factory conducted social responsibility evaluation to its supplies.

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

Details:
 Management interview
 Workers interview
 Electronic attendance records
 Social responsibility policy and procedure.
 Employee handbook.
 Internal audit and management review records

Any other comments:
 Nil

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No such fine or prosecutions were identified.
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<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory had established the related policy, including HR policies, hand manual, etc.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Policies exist for some of these areas (Forced labour, Health and Safety, Working Hours, no harsh treatment, Environment and Business Ethics); these are communicated to workers via poster and annual training. Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Based on document review, managers and workers had received training in the standards for forced labour, child labour, discrimination, harassment & abuse.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The training records were provided for review.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: NA</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: HR department was available. HR Manager was Wu Jing</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Austin Chen / General Manager was responsible for implementation of the Code.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Factory has procedure to ensure workers' information is confidential, such as for workers' ID copy, address and contact information, etc.</p>

<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All worker information is kept locked in files in the personnel office.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The HR would update the policy and procedure regularly.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: If issues addressed, actions should be taken per interview with management and HR department manager.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The site sends a copy of social responsibility code to its own suppliers.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory provided property ownership certificate and business license for review.</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: These are performed by the financial staff.</p>
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The factory had established the related policy, and the factory provided land right and business license for review.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Details: NA Factory provided land right and business license for review.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The alternatives schemes were considered to avoid or minimize adverse impacts.</p>

<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>S1: Please give details: no such negative evidence was identified.</p>
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Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Nil</p> <p>Local law and/or ETI requirement:</p> <p>Nil</p> <p>Recommended corrective action:</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

Observation:	
<p>Description of observation:</p> <p>Nil</p> <p>Local law or ETI requirement:</p> <p>Nil</p> <p>Comments:</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

1: Freely Chosen Employment

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- 2. The employees obtained their job by HR market or by friend's recommendation.
- 3. The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- 4. No forced, bonded or involuntary prison labour was identified during the audit.

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

Details:

- 1. Employees' manual/Factory rules/ Personnel files records. No deposit was required by the factory
- 2. Labour Contract/Leave Records/Resignation records. The employees could be freely resignation after communication with management in advance 30 days' notification.

Any other comments:

Nil

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:</p>

<p>E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding:</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: No forced/ trafficked / bonded labour was identified in its supply chain.</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>

<p style="text-align: center;">Non-compliance:</p>	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

<p>Observation:</p>

<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There were 2 worker representatives elected by workers freely on Dec 18, 2020.
- 2. According to workers interview, they could express their suggestion and complaint to supervisors, worker representative or managers directly.
- 3. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed.

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

Details:

- 1. Minutes of the works committee meeting
- 2. Site policy on freedom of association
- 3. Interview with management, workers and worker representatives.
- 4. Election program & meeting minutes of regular worker committee activities review

Any other comments:

Nil

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The employees could complain to team leaders, supervisors or worker representative directly, and through suggestion box. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: One meeting room was provided for workers' committee to conduct related business.	
F: Name of union and union representative, if applicable:	No trade union	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Workers' committee	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	It was confirmed by workers interview.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: Dec 18, 2020
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 (1 female)	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	According to document review, management review and worker interview, one worker representative was elected and conducted the meeting regularly. The latest meeting was conducted on Jun 25, 2021. The meeting topics covered about how to help all the workers to express their opinions, the meeting took about 30 minutes and the meeting records available.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA	
If Yes , what percentage by trade Union/worker representation	M1: <u> 0 </u> % workers covered by Union CBA	M2: <u> 0 </u> % workers covered by worker rep CBA

<p>M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA. No collective bargaining agreement in the factory.</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. General Health and Safety management
 - Wu Jing /HR Manager is appointed for Health & Safety issue of the site.
 - Potable water was freely available in all areas and test certificates were up to date.
 - Enough clean toilets segregated by gender were always available to workers
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager, and each point is acted on.
- 2. Fire Safety
 - There were at least 2 exits from each work area and these were clearly marked.
 - Fire-fighting equipment was adequate and checks were up to date.
 - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
 - Fire drills were organised and recorded every 6 months of production area.
- 3. Electrical safety
 - There was 1 competent electrician at the site and his certificate was available for review.
- 4. Medical services
 - There were adequate first aid kits in each production area and they were well stocked.
 - There were 2 trained first aiders in the factory.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The site has an H&S manager and an H&S committee who meet regularly – evidence of actions.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Employees' manual covered the EHS policies.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: The permit for buildings was provided for review during the audit.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: PPEs were provided, such as earplugs and masks.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: First aid kit was available on all floors. No medical room in the factory and no such legal requirement in China.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No local law requirement, while, first aid kit was available in workshop.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport facility was provided for workers.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The space and personnel storage was available for workers.</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: EHS risk assessments were conducted regularly with actions implementation.</p>

<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The discharge permit was provided, and no EIA required by local environment government.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: It was acceptable.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. Prohibition of Child Labour Procedure was established in the factory.
- 2. Based on review of the recruitment procedures, the person responsible for employment should check workers' original ID cards and interview with workers to ascertain workers' stated ages at the time of recruitment, only workers above 16 years old could be employed.
- 3. Based on review of workers' personnel files, copies of all workers' ID cards and photos were kept by the factory and information such as birth date, recruitment date, education background and work experiences, background of family, emergency contact person and contact number were completely filled in workers' registration sheets.
- 4. Based on workers interview and personal files review, no child labour and young workers were identified during the audit, and the youngest worker on site was 22 years and born on Aug 29, 1998 and recruited by the factory on Oct 10, 2021.

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

Details:

- 1. Recruitment policies
- 2. Employees' personal files, Employment registration/roster
- 3. Latest list of employees
- 4. Young workers interview
- 5. workers interview, management interview

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker on site was 22 years and born on Aug 29, 1998 and recruited by the factory on Oct 10, 2021.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: Nil

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. There were written policies established on wages and benefits and which were communicated to workers during recruitment process; while, the factory provided employees manual to workers, too.
2. Attendance records from Oct 10, 2020 to the audit day were provided for review. The factory used fingerprint attendance machine for attendance record.
3. The local legal minimum wage was RMB2100 (12.07 per hour) per month since Jul 2018.
4. Based on provided payroll records from Oct 2020 to Jun 2021. All workers were paid at the 5th day of the following month by cash while each worker was given pay slip for their wages.
5. There were 55 employees in the factory and the factory provided social insurance to 9 out of 55 employees. Remark: the factory provided the commercial insurance for 42 workers and the valid date from Jul 6, 2021 to Jan 5, 2022.
6. The factory paid the workers' overtime wage per legal requirements.

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

Details:

- Documents review
- Workers interview
- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records
- Social insurance and payment receipts from the local labour department
- Resignation records
- Payslips of all workers interviewed
- Attendance records
- Contracts review

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Factory had total 55 workers during the audit and based on social insurance purchase records in Jun 2021, factory provided the retirement, unemployment, accident, medical and maternity insurance for 9 (16.4%) workers. Remark: the factory provided the commercial insurance for 42 workers and the valid date from Jul 6, 2021 to Jan 5, 2022.</p> <p>Local law and/or ETI requirement: Labor Law of the People’s Republic of China (2009 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. ETI base code 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: Factory should provide social insurances for all workers as per legal requirement.</p>	<p>Objective evidence observed: Based on the payrolls and social insurance records review. Pls refer to NC Photo 1</p>
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Observation:	
<p>Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 5 days per week; total 40 hours per week	A1: 8 hours per day and 5 days per week; total 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: 0~2 hours per day and 10~70 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Minimum wage was RMB2100 (12.07 per hour) per month since Jul 2018.	C1: RMB 2500 per month	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.	D1: 150% of normal wage rate for weekday overtime; 200% of normal wage rate for weekend overtime; 300% of normal wage rate for statutory holiday overtime.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	NA
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 samples from Dec 2020 (Random) 10 samples from Mar 2021 (Random) 10 samples from Jun 2021 (Current month)

<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>C1: If Yes, please give details:</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If No, please give details:</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 2500 per month</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100___% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Full time RMB100</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance: retirement, unemployment, work-related injury, medical and child-bearing. Personal income tax.</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Personal income tax 2. Social insurance Please describe: Confirmed by the management interview and document review, the factory would deduct the personal income tax and social insurance from the pay of employees as per legal requirement.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Sickness and injury 2. Maternity leave and paid annual vacation Please describe: Confirmed by the management interview and document review, the factory would not make any deduction from paid regarding maternity leave and paid annual vacation etc.,.</p>

<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Confirmed by the attendance records from Oct 10, 2020 to the audit day and worker interview, all records reflect all time worked.
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time:
<p>M2: If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation NA Other – please give details: NA
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory reviewed the wages yearly refer to local bureau.
<p>O: Are workers paid in a timely manner in line with local law?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Based on the payrolls review and worker interview, all employees are hourly wages, and showed that equal rates are being paid for equal work.
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

	Q1: If other, please explain:
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6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The procedure of the working hours is defined; the normal working hours are 8 hours per day and 5 days per week.
2. The IC card attendance system was used to record the working hours.
3. Attendance records from Oct 10, 2020 to the audit day were provided for review.
4. All employees worked for 8 hours/ day and 5 days/ week in day shift as normal working hours. The 1 shift: 8:00-12:00, 13:30-17:30 and OT time: 18:30-20:30. Employees' wages were calculated on hourly rate, their basic wage (1st to 31th) and overtime wage (1st to 31th) was paid on 5th of next month by cash.
5. According to workers' interview, overtime was voluntary and they could refuse OT without any revenge and influence.
6. The factory ensured the workers have one day off per week.

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

Details:

- Local law.
- Employee interview.
- Management interview.
- Factory policy on working hours.
- Attendance records from Oct 10, 2020 to the audit day.
- Sample pay slips with recorded hours all workers interviewed.
- Payroll records from Oct 2020 to Jun 2021.
- Quality and production records to cross check hours.

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

Based on the attendance records from Oct 10, 2020 to the audit day and payrolls from Oct 2020 to Jun 2021. All sampled workers' monthly OT hour exceeded the legal requirement of 36h in each month (except Feb 2021) and the maximum was up to 70h, occur in Dec 2020 and Mar 2021.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (2009 Amendment), Article 41

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

ETI Base Code 6.1

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

Recommended corrective action:

Factory should ensure workers' monthly overtime hours in line with legal requirement.

Objective evidence observed:

Based on documents review and management interview. Pls refer to NC Photo 2

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Objective evidence observed:

Nil

Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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

<p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?</p>	<p>F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:</p>	<p>F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>Maximum number of days worked without a day off (in sample):</p>	
	<p>6 days</p>	
<p>Standard/Contracted Hours worked</p>		
<p>G: Were standard working hours over 48 hours per week found?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>G1: If yes, % of workers & frequency:</p>
		<p>NA</p>
<p>H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>H1: If yes, please give details:</p>
		<p>NA</p>
<p>Overtime Hours worked</p>		
<p>I: Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours: 2 hours per day, 16 hours per week, 70 hours per month Dec 2020 (Random Month) 2 hours per day, 16 hours per week, 70 hours per month Mar 2021 (Random Month) 2 hours per day, 16 hours per week, 68 hours per month Jun 2021 (Current Month)</p>	
<p>J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>__100__%</p>	
<p>L: Is overtime voluntary?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p>	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Based on workers interview, all workers indicated that they were voluntary to work for overtime work. If they got other issues to deal with, they just need to tell their supervisor.</p>

Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of standard wages: The factory paid 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: 100% of workers were paid for overtime wages as local law together with normal wages, on a month basis.</p>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other NA	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	NA	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	NA, not exceeded 60 hours per week.	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

the exception rather than the rule.	
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7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement
2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found;
3. There was no evidence of sexual harassment.
4. The management generally knew the requirement of Non-Discrimination.
5. As informed by interviewed workers, most employees spoke highly of the factory owner.

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

Details:

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payrolls
3. Attendance records
4. Termination records
5. Training records

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>70</u> % A2: Female <u>30</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	5 women workers who are in QA department, machine engineer / sample room.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details:
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Professional Development

A: What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.
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B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details:
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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: Nil

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:

Description of Good Example (GE): Nil	Objective Evidence Observed: Nil
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8: Regular Employment Is Provided

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

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ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. According to workers interview and management interview, workers signed contracts with the factory within one month as local law's requirement.
2. All interviewed workers indicated that they were provided with contract copies to know all items included.
3. No homework was arranged, and no apprenticeship schemes were practiced in this factory.
4. The factory saved all workers' personal files and contracts for review.
5. The factory established employment procedure for workers' recruitment.

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

Details:

1. Employees' personal files;
2. Employment registration files;
3. Employees contract;
4. Employment policy;
5. Workers interview and management interview.

Any other comments:

Nil

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:</p>

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

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All types of work in the factory include migrant workers
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If yes, number and example of roles:

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: 0
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA

<p>D: Is there a legal contract / agreement with all agencies?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA D1: Please give details: NA</p>
<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA E1: Please give details: NA</p>

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

8A: Sub-Contracting and Homeworking
[\(Click here to return to summary of findings\)](#)
[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.
 8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.
*Note to auditor on homeworking:
 Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.*
Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

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

Current systems:

1. No subcontractor was used by the factory.
2. No homeworking was used by the factory.

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

Details:

- Site tour
- Materials in/out records
- Interview with management and workers
- Social accountability manual

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

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
 Nil

Local law and/or ETI /Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Observation:	
Description of observation: Nil	Objective evidence observed: Nil
Local law or ETI/Additional elements requirement: Nil	
Comments: Nil	

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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

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

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

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: There is suggestion box, and an internal confidential hotline for reporting grievances.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>All workers were aware of these processes, such as suggestion box.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline and suggestion box</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Workers could raise grievances to worker representatives, supervisors, team leaders, or managers directly.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> 1. No negative evidence of mental / physical coercion was identified during the audit. 2. There was no evidence of sexual harassment. 3. The workers interviewed said they never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. Social responsibility manual: the factory had established social responsibility manual, including forbidden mental / physical coercion procedure. 2. Factory rules. 3. Security guard regulation. The duties of security guards were to protect safety of factory's property, to regularized entrance/exit of goods/ vehicles/ employees/ visitors. <p>Any other comments: Nil</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p>	<p>Objective evidence observed: Nil</p>

Comments: Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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

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

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

1. Confirmed by document review, management interview and worker interview, no employment agency was used by the factory. The factory recruited the new workers by the advertisements, internet, or the employees' recommendation.
2. No contractor workers were used by the factory.

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

Details:

1. Personnel file
2. Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:

Nil

Local law and/or ETI /Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Observation:

<p>Description of observation: Nil</p> <p>Local law or ETI/Additional Elements requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>
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<p style="text-align: center;">Good examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Based on document review and confirmed with factory management, the factory compiled EIA and obtained EIA approval, pollutant discharging license from environmental authority.
- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on workers interview, they were trained on environmental protection.
- The factory had procedure on environment protection and Mr. Li Xinjian /EHS Manager was appointed as response for environment performance.

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

Details:

- Environmental policy

- Worker and management interview.
- Site tour
- Energy and resource consumption status review
- Discharge permit

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

Nil

Local law and/or ETI /Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence

observed:

Nil

Observation:

Description of observation:

Nil

Local law or ETI/additional elements requirement:

Nil

Comments:

Nil

Objective evidence

observed:

Nil

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence

Observed:

Nil

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Li Xinjian/ EHS Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory updated risk assessment on environmental impact of the site regularly.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: NA
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The public environmental policy was available in factory.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The key impacts of environment and commitment to improvement were addressed.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: NA
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The discharge permit was provided, and no EIA required by local environment government.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Chemical using records were provided.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Factory had established Environment protection system and such requirement was available in local law.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Factory had conducted waste water and air discharge goal.

and discharge, waste, energy and green-house gas emissions:		
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The recycling records were provided.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Factory had measuring system of key utilities of water, energy and natural resources that follows recognised protocols or standards.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: NA No sub-contractor was used in factory.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _____NA_____	Current Year: Please state period: _Oct 10, 2020 to Jun 2021__
Electricity Usage: Kw/hrs		50975
Renewable Energy Usage: Kw/hrs		0
Gas Usage: Kw/hrs		0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result		NA
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • Local water authority
Water Volume Used: (m ³)		678
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • Wastewater treatment system
Water Volume Discharged: (m ³)		612
Water Volume Recycled: (m ³)		0

Total waste Produced <i>(please state units)</i>		102t
Total hazardous waste Produced: <i>(please state units)</i>		0.5t
Waste to Recycling: <i>(please state units)</i>		101.5t
Waste to Landfill: <i>(please state units)</i>		0
Waste to other: <i>(please give details and state units)</i>		0
Total Product Produced <i>(please state units)</i>		800,000pcs

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current systems:

1. Austin Chen / General Manager was responsible for implementing standards concerning Business Ethics, and the practices were conducted without any corruption and bribery happened.
2. The company established a business ethics policy and communicated to workers through posters and training.
3. There was an internal grievance process including anonymous contact tel/email address.

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

Details:

1. Business ethics policy and employee handbook.
2. Training records.
3. Management and worker interview.

Any other comments:

Nil

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Nil</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Nil</p> <p>Recommended corrective action:</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

Observation	
<p>Description of observation:</p> <p>Nil</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Nil</p> <p>Comments:</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

Good examples observed:	
<p>Description of Good Example (GE):</p> <p>Nil</p>	<p>Objective Evidence Observed:</p> <p>Nil</p>

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy</p> <p><input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The factory written the Business Ethics Policy on workers manual.</p>
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<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The factory provided training when new employees hired.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: HR department examined each year and adjusted if needed</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D1: Please give details: No discussion on this topic with 3rd parties.</p>

Other findings

Other Findings Outside the Scope of the Code

Nil.

Community Benefits

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

Nil.

Appendix 1

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

Not Applicable please x

Photo Form

Non-compliance:

		<p>Nil</p>
<p>NC-1: Factory did not provide social insurances for all workers as per legal requirement.</p>	<p>NC-2: The sampled workers' monthly OT hour exceeded the legal requirement of 36h.</p>	<p>Nil</p>

General Photos:

<p>Factory gate</p>	<p>Factory name</p>	<p>Factory address</p>
<p>GPS data</p>	<p>Production building</p>	<p>Office building</p>



Raw materials warehouse Cutting Sewing





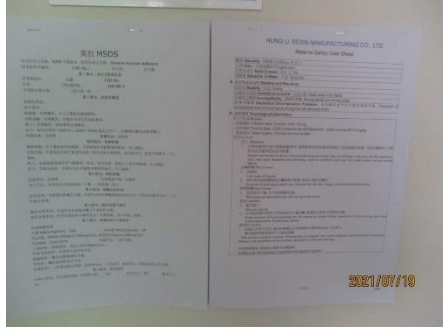


Buttoning Oiling Packing



Finished product warehouse Exit with emergency light and exit sign Evacuation plan



<p>Fire hydrant and fire alarm</p>	<p>Fire extinguishers and evacuation sign in workshop</p>	<p>Emergency assembly point</p>
		
<p>Evacuation sign and emergency light in stairway</p>	<p>Occupational hazards sign</p>	<p>First aid kit</p>
		
<p>Attendance recorder</p>	<p>Drinking water</p>	<p>Toilets in workshop</p>
		
<p>Chemical storage area</p>	<p>Eye washing equipment</p>	<p>MSDS posted</p>

 <p>2021/07/19</p>	 <p>2021/07/19</p>	 <p>2021/07/19</p>
<p>Chemicals with safety label</p>	<p>PPE warning sign</p>	<p>PPE wore properly</p>

 <p>2021/07/19</p>	 <p>2021/07/19</p>	 <p>2021/07/19</p>
<p>Electricity box with warning sign</p>	<p>Suggestion box</p>	<p>ETI code</p>



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

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

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

[Click here for Supplier \(B\) members:](#)

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

[Click here for Auditors:](#)

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