



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: 413461013	Sedex Site Reference: (only available on Sedex System)	ZS: 413462170
Business name (Company name):	Guangzhou Autron Industry Co Ltd		
Site name:	Guangzhou Autron Industry Co Ltd 广州市奥创皮具有限公司		
Site address: (Please include full address)	Actual address: No. 81, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, China. 广州市花都区狮岭镇振兴北路 81 号 Business License address: Same as above. 营业执照地址与上述地址一致。	Country:	China
Site contact and job title:	Austin Chen / General Manager		
Site phone:	13202250363	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:	Aug 8-9, 2022		

Audit Company Name & Logo: SGS-CSTC Standards Technical Services Co., Ltd. 	Report Owner (payer): Guangzhou 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: Elsa Zhong

APSCA number: CSCA 21705360

Lead auditor APSCA status: CSCA

Team auditor: Nil

APSCA number: Nil

Interviewers: Elsa Zhong

APSCA number: CSCA 21705360

Report writer: Elsa Zhong

Report reviewer: Mark Kang

Date of declaration: Aug 9, 2022

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

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

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		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. The factory's social insurances could not cover all employees. Summary of Observation finding Nil Summary of Good Example finding Nil
6	Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	Summary of Non-Compliance finding 1. Workers' monthly overtime hours exceeded legal requirement.

									Summary of Observation finding Nil Summary of Good Example finding Nil
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	Not applicable.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

General observations and summary of the site:

- The factory was established on Oct 10, 2020 and located at No. 81, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, China, the audited factory was engaged in the manufacture of bags and accessories.
 - Overall responsibility for meeting the standards was taken by Austin Chen / General Manager.
 - A total of 48 employees were currently working in this factory, 2 out of 48 employees were the management, 46 out of 48 employees were the workers.
 - No negative evidence was found for the issues such as Child labour, forced labour, discrimination and harsh or inhumane treatment, Freedom of Association, Regular Employment, Homeworking and etc.
- Standard working time was 5 days per week and 8 hours per day and all workers were paid by hourly rate.
- Minimum wage guarantee system was established for all workers. Workers' minimum wages were paid meet the local legal requirement (The legal minimum wage standard was RMB2100/month before Dec 2021 and RMB2300/month since Dec 2021).
 - The factory paid 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime, which was in line with legal requirement.

- Based on provided attendance records, overtime hours for sampled workers was below:
2 hours/day, 16 hours/week, 68 hours/month in Jul 2022 (Most currently month)
2 hours/day, 16 hours/week, 60 hours/month in May 2022 (Random month)
2 hours/day, 16 hours/week, 66 hours/month in Dec 2021 (Random month).
- All sampled workers' weekly working hours didn't exceed 60 hours.
- All sampled workers enjoyed one day off per seven days, and the maximum continuous working days were 6 days.
- The factory's social insurances could not cover all employees.
- Production building was in good condition based on onsite observation.
- No child labour and young worker were identified during the audit.
- No forced labour was identified during the audit.
- The youngest worker in this factory was 24 years old.
- 10 workers were selected for interview including 5 male employees and 5 female employees; they were interviewed as 1 group of 4 workers and 6 workers were interviewed individually.
- No labour Union was established in this factory. Three worker representatives were available in the factory.
- The factory had established procedures on environment protection. Mr. Li Xinjian/ Factory Manager was appointed to response the compliance of environment requirement.

**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:	Guangzhou Autron Industry Co Ltd																												
B: Site name:	Guangzhou Autron Industry Co Ltd 广州市奥创皮具有限公司																												
C: GPS location: (If available)	GPS Address: No. 81, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, China.	Latitude: 23°28'11"N Longitude: 113°9'32"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 number: 91440101MA9UW1AH0D Valid time was from Oct 10, 2020 to long term.																												
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	bags and accessories																												
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Guangzhou Autron Industry Co Ltd was located at No. 81, Zhenxingbei Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, China. A total of 48 employees were currently working in this factory, 2 out of 48 employees were the management, 46 out of 48 employees were the workers. 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. Employees' wages were calculated on hourly rate, their basic wage (1st to 31st) and overtime wage (1st to 31st) was paid on 5th of next month by cash.</p> <table border="1"> <thead> <tr> <th>Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Cutting, warehouse</td> <td>Completed in 1998</td> </tr> <tr> <td>Floor 2</td> <td>Sewing, buttoning, gluing, inspection, packing</td> <td>Completed in 1998</td> </tr> <tr> <td>Floor 3</td> <td>Warehouse</td> <td>Completed in 1998</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Office Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Office and showroom</td> <td>Completed in 1998</td> </tr> <tr> <td>Floor 2</td> <td>Office</td> <td>Completed in 1998</td> </tr> <tr> <td>Floor 3</td> <td>Office</td> <td>Completed in 1998</td> </tr> </tbody> </table>		Production Building	Description	Remark, if any	Floor 1	Cutting, warehouse	Completed in 1998	Floor 2	Sewing, buttoning, gluing, inspection, packing	Completed in 1998	Floor 3	Warehouse	Completed in 1998	Is this a shared building?	No	Nil	Office Building	Description	Remark, if any	Floor 1	Office and showroom	Completed in 1998	Floor 2	Office	Completed in 1998	Floor 3	Office	Completed in 1998
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	<table border="1"> <tr> <td data-bbox="655 217 836 320">Is this a shared building?</td><td data-bbox="836 217 1203 320">No</td><td data-bbox="1203 217 1490 320">Nil</td></tr> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Based on onsite observation, no visible structural integrity issues such as crack 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>	Is this a shared building?	No	Nil
Is this a shared building?	No	Nil		
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)	Not obvious.			
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The products manufactured in the factory were knitted sweater.</p> <p>The main production processes: Cutting- Sewing- Gluing- Buttoning-Inspection-Packing.</p> <p>The main equipment used in the factory were 2 cutting machines, 21 sewing machines, etc.</p>			
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation			

M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA. No dormitory was provided to workers by the factory.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:35 A2: Day 1 Time out: 17:40	A3: Day 2 Time in: 9:00 A4: Day 2 Time out: 13:30	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 type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks from Aug 4 to Aug 17, 2022 <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: 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)	Mr. Li Xinjian / Factory Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	Jul 19-20, 2021		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	NA		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There was no trade union established at 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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	5	0	0	17	0	0	0	22
Worker numbers – female	2	0	0	22	0	0	0	24
Total	7	0	0	39	0	0	0	46
Number of Workers interviewed – male	1	0	0	4	0	0	0	5
Number of Workers interviewed – female	1	0	0	4	0	0	0	5
Total – interviewed sample size	2	0	0	8	0	0	0	10



A: Nationality of Management	Chinese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: _ Chinese _____ B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please describe how this may vary during peak periods: The peak season was not obvious in the factory.
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 __100%_____ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration (management information)	D: _____% workers on piece rate D1: __100____% hourly paid workers D2: _____% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: __100____% monthly paid D6: _____% other D7: If other, please give details	



Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <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 of 4 workers	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3	D2: Female: 3
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 stated that they enjoyed the life in this factory, nobody complained through worker interview.	
I: What did the workers like the most about working at this site?	Workers stated they can work in this factory with respect and managements were friendly to them.	
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:	Workers want more overtime hours so that they can earn more money, they enjoyed working in this factory and had a good relationship with management in general.	

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 5 male employees and 5 female employees; they were interviewed as 1 group of 4 workers and 6 workers were interviewed individually. 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. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages. 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 they could voice out to the workers' representative when necessary. They felt able to complain directly to their supervisors.

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

Based on workers' representative interview, it was noted that the factory management was very care about workers and pay more attention to deal with workers' suggestion or complaint. The worker representative showed that the management was kind, and the workplace was comfortable. No negative information was identified.

O: Attitude of managers:

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

The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditor took photos and copy relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.

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:

- The factory had a policy, endorsed at the highest level, covering human rights impacts and issues. And the factory ensured that it is communicated to all appropriate parties.
- Austin Chen / General Manager was appointed as senior member of management to responsible for compliance with ETI code
- Austin Chen / General Manager was appointed to responsible for implementing standards concerning Human rights.
- The terms and conditions for employees are stated in the employee handbook and some workers are trained in the grievance procedure.

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

Details:

- Management interview
- Worker interview
- Employee manual, training records etc.

Any other comments:

Nil

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

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

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

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: __5__ %	A2: This year __3__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	6%	
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: __3__ %	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: Based on the accidents record provided, the factory kept the detailed records of each month.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers
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0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

- Based on document review, the social responsibility policy and procedure were established in the factory.
- Overall responsibility for meeting the standards is taken by Austin Chen / General Manager.
- All workers were trained factory rules when they recruited. And factory communicated this Code to all employees by training and posting onsite as confirmed by training records and worker interviews.
- The factory had conduct internal assessment on social accountability in the past year.

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?

☐ Yes

☒ No

A1: Please give details: No such fine or prosecutions were identified.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment. No negative evidence was found.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory had provided the training to management and workers.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided the training to management and workers. The related record was provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The factory did not obtain any internationally recognised system certifications.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: HR department was available. Ms. Chen Yaxin was responsible for the HR department.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Austin Chen / General Manager was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Policy was established in employee manual.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Procedure was established in employee manual.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	K1: Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness, such as finance audit.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: The factory had established such process to address issues.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory required supplier for policy or code implementation.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory is located at an established industrial area and provided business license for review, they were acceptable.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: These are performed by the General Manager.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The factory established related policy procedures on land rights.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: Not applicable. The factory had provided business license to prove the land using is legal, and no relevant negative information based on interview and web search.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No negative evidence was found.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: <i>(where relevant please add photo numbers)</i> 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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

- The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- The employees obtained their job by friend's recommendation or by the factory recruitment.
- Workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- 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:

Factory rules

Employee handbook

Personnel files

Resignation records

Contracts

Management and worker interview

Any other comments:

Nil

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

C1: If yes, please give details and category of worker affected:

D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: Confirmed by worker interview and document review, no such evidence was found during the audit day.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: NA
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Confirmed by worker interview and site observation, no such evidence was found during the audit day.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: No forced/ trafficked / bonded labour was identified in its supply chain.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory provided training for workers regularly to reduce the risk.

Non-compliance:

1. Description of non-compliance:

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

Nil

Local law and/or ETI requirement

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The 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 directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- No trade union established in the factory. But one worker representative was attended the opening and closing meeting during this audit.
- The worker committee's meeting was conducted quarterly. The last meeting was conducted on Jun 22, 2022.
- Through worker interview, the worker could raise their grievances or complaint through worker representative or management directly.

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

Details:

- The policy on freedom of association
- Interview with workers and management
- Interview with worker representative
- Election and meeting minutes

Any other comments:

Nil

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

- ☐ Union (name)
- ☒ Worker Committee
- ☐ Other (specify)
- ☐ 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 through the suggestion box directly. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The meeting room was provided by factory.	
F: Name of union and union representative, if applicable:	NA	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?	Yes, 3 worker representatives were elected in the factory.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: Sept 16, 2021
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The worker committee conducted meeting quarterly with managements. The meeting topic was about health and safety etc., related meeting records were provided for review. The last meeting was conducted on Jun 22, 2022.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No collective bargaining agreement in the factory.	
If Yes , what percentage by trade Union/worker representation	M1: _NA_% workers covered by Union CBA	M2: _NA_% workers covered by worker rep CBA

M3: If **Yes**, does the Collective Bargaining Agreement (CBA) include rates of pay?

☐ Yes
☐ No

NA. No collective bargaining agreement in the factory.

Non-compliance:

1. Description of non-compliance:

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

Nil

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

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

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

- Mr. Li Xinjian / Factory Manager was responsible for issue of Health & Safety in the factory.
- Minutes of meetings show that there were regularly meetings between H&S committee and H&S manager.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- The factory provided potable water to workers free of charge in workshop.

2. Fire Safety

- Evacuation plans were posted in all workshops and understood by all interviewed workers.
- The adequate emergency exits for all workshops.
- Sufficient fire-fighting equipment such as fire extinguishers and hydrants in production building. Regular inspection was taken by the factory per month.
- Fire drill was conducted in the factory twice per year, the records were provided for review. The last fire drill was conducted on May 20, 2022.

3. Electrical safety

- All parts of electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There was one competent electrician at the site and the certificates were available for review.

4. Medical services

- Sufficient first aid kits in each production area and they were well stocked.
- Two first aiders were available in the factory and the certificate was provided for review.

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 and certificates
- Fire acceptance certificates or records
- The completion acceptance reports or records
- Fire drill records
- Trained first aider register
- Accident records
- Onsite observation
- Worker and management interview

Any other comments:

Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Mr. Li Xinjian / Factory Manager was responsible for issue of Health & Safety in the factory.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The policy was written in worker's manual.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: There was no structural addition. The factory provided the building construction record for review. And based on onsite observation, the building was in good condition.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors to the site would be informed on H&S and provided with appropriate PPEs.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local law requirement, while first aid kit was available in workshop.
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: Two first aiders were available in the factory.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA G1: Please give details: The factory did not provide worker transport.

H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: Based on onsite observation, no living space such as dormitory at the factory.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: EHS risk assessments were conducted regularly with actions implementation.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Based on documents review, it was acceptable.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemicals were used in the factory.

Non-compliance:

1. Description of non-compliance:

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

Nil

Local law and/or ETI requirement

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

Nil

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Nil

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:

- The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employed and used any child labour under the age of 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post.
- Checks of all workers files showed that no child labour or young worker was identified during the audit. The youngest worker in the factory was 24 years old.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour.

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

Details:

- Policy on workers recruitment
- Personnel files including the ID card copies of workers
- Roster and labour contracts of all workers
- Worker and management interview

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	24 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %

E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details NA
--	--

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: <i>(where relevant please add photo numbers)</i> 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:

- All workers' wages were calculated by hourly rate.
- Based on provided payroll records, minimum wage guarantee system was established for other all workers. Workers' minimum wages were paid meet the local legal requirement. The legal minimum wage standard was RMB2100/month before Dec 2021 and RMB2300/month since Dec 2021. The factory paid at least RMB 2500 per month. The factory paid 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.
- The factory's social insurances could not cover all employees.
- All workers were paid at 5th of following month by cash, each worker was given a pay slip and signed for their wages.
- All workers are 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.

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

Details:

- Payroll records from Aug 2021 to Jul 2022
- Attendance records
- Local legal minimum wage documents
- Wages and benefits policy
- Labor contracts for all employees
- Leave records and resignation records
- Payment receipts of social insurance
- Workers and management interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

The factory's social insurances could not cover all employees.

There were 48 workers in the factory, 8 workers were over the retired age and no worker worked at the factory less than one month. The factory should provide social insurances to 40 workers. Based on the social insurance payment records of Jul 2022, the factory provided pension, work injury, unemployment, medical, maternity insurance for 16 employees (40%).

Remark: The factory purchased the commercial insurance for 43 workers.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (2018 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.

Recommended corrective action:

The factory should provide social insurance to all employees as per the legal requirement.

Objective evidence observed:

(where relevant please add photo numbers)

Document review

Management interview

Refer to NC photo No. 1

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

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day and 36 hours per month	B1: 2 hours/day, 16 hours/week, 68 hours/month in Jul 2022 (Most currently month) 2 hours/day, 16 hours/week, 60 hours/month in May 2022 (Random month) 2 hours/day, 16 hours/week, 66 hours/month in Dec 2021 (Random month)	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB2100/month before Dec 2021 and RMB2300/month since Dec 2021	C1: at least RMB 2500 per month	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 150%, 200% and 300% of normal wage rate for overtime hours on weekday, weekend and statutory holiday.	D1: 150%, 200% and 300% of normal wage rate for overtime hours on weekday, weekend and statutory holiday.	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
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A1: If No , why not?	NA		
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Jul 2022 (Current), 10 samples from May 2022 (Random), 10 samples from Dec 2021 (Random)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 2500 per month	
F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: ____% of workforce earning minimum wage F3: _100__% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: full-attendance bonus <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, personal income tax, etc.		
I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that have been made.	1. personal income tax 2. Nil Please describe: Confirmed by the management interview and document review, the factory would deduct the personal income tax from the pay of employees as per legal requirement.
		I2: Please list all deductions that have not been made.	1. Social insurance 2. Personal income tax Please describe: 1. Factory did not provide social insurance for 60% employees. Besides,

			confirmed by the management interview and document review, the factory did not deduct the fees of social insurance from the pay of 40% employees who were provided social insurance. 2. Individual employee didn't have tax deductions if he/she was not reaching the starting point of the personal income tax.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Confirmed by the attendance records from Aug 1, 2021 to the audit date and worker interview, all records reflect all time worked.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: NA		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: NA		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory reviewed the wages yearly refer to local bureau opinion etc. and informed workers about salary adjustment.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: The wage policy was established in factory and workers knew the equal rates well.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Through employees' interview, overtime was voluntary.
- The factory provided attendance records of all workers from Aug 1, 2021 to the audit date.
- The factory had no obvious peak season.
- According to attendance records and worker interview, basic working hours were 8 hours per day and a max 40 hours per week.
- One shift for all workers: 08:00-12:00, 13:30-17:30.
- Based on the attendance records from Aug 1, 2021 to the audit date provided by the factory, sampled 10 employees, it was found that all sampled employees' monthly overtime hours exceeded 36 hours required by legal requirement, and the maximum was up to 68 hours, which occurred in Jul 2022.
- The max. consecutive working days were 6 days.
- The max. weekly working hours were 56 hours.

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

Details:

- Workers interview
- Management interview
- Local and national laws
- Attendance records from Aug 1, 2021 to the audit date
- 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:

Workers' overtime exceeded legal requirement.

The factory provided attendance records from Aug 1, 2021 to Aug 8, 2022.

Auditor randomly selected 10 workers (Cutting, sewing, gluing, buttoning, inspection, packing) as samples in Jul 2022 (current month), May 2022 (random month), and Dec 2021 (random month). And found:

1) In Jul 2022, the monthly overtime hours of all sampled 10 workers exceeded 36 hours and reached maximum 68 hours.

2) In May 2022, the monthly overtime hours of all sampled 10 workers exceeded 36 hours and reached maximum 60 hours.

3) In Dec 2021, the monthly overtime hours of all sampled 10 workers exceeded 36 hours and reached maximum 66 hours.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (2018 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:

The factory should ensure workers' overtime in line with legal requirement.

Objective evidence observed:

(where relevant please add photo numbers)

Document review

Management interview

Refer to NC photo No. 2

Observation:

Description of observation:

Nil

Objective evidence observed:

Local law or ETI requirement: Nil Comments: 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: Fingerprinting attendance system.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: NA			
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: NA			

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/day, 16 hours/week, 68 hours/month in Jul 2022 (Most currently month) 2 hours/day, 16 hours/week, 60 hours/month in May 2022 (Random month) 2 hours/day, 16 hours/week, 66 hours/month in Dec 2021 (Random month).	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The max. weekly working hours were 56 hours.	
K: Approximate percentage of total workers on highest overtime hours:	___100___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Based on workers interview, the overtime was voluntary.
Overtime Premiums		

M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 150%, 200%, and 300% of normal rate for work on standard days, rest days and statutory holidays respectively.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% of workers were paid for overtime wages as local law together with normal wages, on a month basis.
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) NA. Not exceeded 60 hours.	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	NA. The maximum weekly hours were 56 hours.	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- According to management and workers 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.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal, and retirement.
- There was no evidence of sexual harassment.

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

Details:

The hiring and termination procedure
 Leave application records and employee handbook
 Labour contract
 Termination records
 Attendance and payroll records
 Training records
 Worker interview and management interview

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: _100___ % A2: Female _0___ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
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: Based on document review and workers interview, there was no evidence of discrimination found during the audit.
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Professional Development	
A: What type of training and development are available for workers?	Employee training on EHS, Production & fire safety knowledge, Factory rules, HR policies, Wages & Benefits, Working hours etc.

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: <i>(where relevant please add photo numbers)</i> Nil

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

Good Examples observed:

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

- The formal employees at the factory were recruited by the factory directly.
- No agency worker was used by the factory.
- No temporary worker, apprenticeship schemes or home worker was identified.
- All interviewed workers had received a signed labour contract.
- Workers' personal files were provided for review.

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

Details:

- The hiring and termination procedure
- Personal files
- Payroll records
- Labour contracts
- Worker and management interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Nil
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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

Responsible Recruitment

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

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 undertaken by migrant workers in factory.	
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	C2: Observations: 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: NA	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: 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: NA. No agency was used by the factory.
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No agency was used by the factory.
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No agency was used by the factory.
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA D1: Please give details: NA. No agency was used by the factory.

<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No NA E1: Please give details: NA. No agency was used by the factory.
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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>A: Any contractors on site?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If yes, how many contractors are present, please give details: NA. No contractor was used by the factory.
<p>B: If Yes, how many workers supplied by contractors?</p>	NA. No contractor was used by the factory.
<p>C: Do all contractor workers understand their terms of employment?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA. No contractor was used by the factory.
<p>D: If Yes, please give evidence for contractor workers being paid per law:</p>	NA. No contractor was used by the factory.

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 sub-contractor was identified in the factory.
2. No home-worker or subcontractor was used by the factory per management interview and on-site observation.

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

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

Nil

Details:

- Document's review
- Management interview
- On-site observation

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:

(where relevant please add photo numbers)

Nil

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

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

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

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

☐ Yes
☒ No

II: If yes, please give details

Current Systems and Evidence Examined

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

Current systems:

- The factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.
- There is an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

The relevant policy on prevention of harassment and abuse.

Internal grievance procedure documentation

Training records

Worker interview and management interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

code:

Nil

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

Nil

Observation:

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

- All workers in the factory were Chinese. All workers had the proper legal rights to work in this region.
- No agency worker was used by the factory.
- The factory had established recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No foreign worker was used by the factory.

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

Details:

- Hiring procedure
- Personnel files and labor contracts
- Employee handbook
- Employee roster
- Worker and management interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Nil

Local law and/or ETI /Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

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

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 learned about the environment impact of their site and took continuously management measures to control the environment impact.
- The factory had established policy and procedure and environmental protection. Based on workers interview, they were trained on environmental protection.
- Mr. Li Xinjian / Factory Manager was appointed to response the compliance of environment requirement.

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

Details:

1. Environmental policy and procedure
2. Environmental documents
3. Workers and management interview
4. Site tour

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

Nil

Local law and/or ETI/Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

Nil

Observation:

Description of observation:

Nil

Local law or ETI/Additional elements requirements:

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 / Factory 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 site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks, the risk assessment was provided for review.
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: The factory did not obtain any recognised environmental system certification.
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: All required legal permits were provided for review.
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: The factory established a documentation process to record hazardous chemicals used in the manufacturing process.
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: This was included in the site's internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: The reduction targets were noted in environmental management system manual.	
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: Weights of recycled waste were recorded for continuous improvement targets	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The consumption of key utilities of water, energy and natural resources were monitored and recorded.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The checked records were provided for review during the audit.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _From Oct 2020 to Jul 2021_	Current Year: Please state period: _From Aug 2021 to Jul 2022_
Electricity Usage: Kw/hrs	54975 Kw/hrs	53900 Kw/hrs
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	NA	NA
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Tap water 	<ul style="list-style-type: none"> Tap water
Water Volume Used: (m³)	678 m³	598 m³
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> Municipal sewage 	<ul style="list-style-type: none"> Municipal sewage
Water Volume Discharged: (m³)	612 m³	552 m³
Water Volume Recycled: (m³)	0	0

Total waste Produced (please state units)	102t	102t
Total hazardous waste Produced: (please state units)	0.5t	0.5t
Waste to Recycling: (please state units)	101.5t	101.5t
Waste to Landfill: (please state units)	0	0
Waste to other: (please give details and state units)	0	0
Total Product Produced (please state units)	800,000 PCS	500,000 PCS

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:

- Austin Chen / General Manager was responsible for implementing standards concerning Business Ethics, and the practices were conducted without any corruption and bribery happened.
- The factory had established a system to monitor Business Ethics standards against relevant laws and customers' requirements.
- The factory had provided the training to the workers who worked in the high risky job of business ethics.

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

Details:

- Business ethics policy and employee handbook.
- Bribery and Corruption policy
- Training records
- Management and worker interview.

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

Nil

Local law and/or ETI/Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

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

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

☒ Internal Policy

☒ Policy for third parties including suppliers

A1: Please give details: The factory had a business ethics policy and the policy was communicated to workers and suppliers.

B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?

☒ Yes

☐ No

B1: Please give details: The factory provided training to relevant personnel on business ethics issues.

C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The policy was updated regularly.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory required their suppliers to follow business ethic policy and provide training to all workers.

Other findings

Other Findings Outside the Scope of the Code
Nil

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

NC photo:

		<p>Nil</p>
<p>No. 1: The factory's social insurances could not cover all employees.</p>	<p>No. 2: Workers' overtime exceeded legal requirement.</p>	<p>Nil</p>

OB photo

<p>Nil</p>	<p>Nil</p>	<p>Nil</p>
<p>Nil</p>	<p>Nil</p>	<p>Nil</p>

GE photo

<p>Nil</p>	<p>Nil</p>	<p>Nil</p>
<p>Nil</p>	<p>Nil</p>	<p>Nil</p>

General photo:

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Factory Gate	Factory Name	GPS
		
Factory address	Production Building and office building	Finished goods storage area
		
Raw material storage area	Cutting	Sewing
		
Buttoning	Gluing	Inspection and packing
		
Exit sign and emergency light	Fire hydrant	Fire extinguishers

Fire alarm	Electrical box and warning signs	Evacuation sign
Evacuation stairs	Drinking water	Occupational hazard notification card and warning signs
Evacuation plan	Attendance recorder	First aid kit
Suggestion box	Toilets	Chemical storage area

		
<p>Eye washing equipment</p>	<p>MSDS posted onsite</p>	<p>PPE for workers</p>



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

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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