




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 412146018	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 412165265
Business name (Company name):	QINGDAO HANDDIER SAFETY GLOVES CO LTD		
Site name:	Qingdao handdier Safety Gloves co LTD 青岛恒祥源防护用品有限公司		
Site address: <i>(Please include full address)</i>	MAJIA VILLAGE JIAOXI TOWN JIAOZHOU CITY, QINGDAO, SHANDONG PROVINCE 山东省青岛市胶州市胶西镇马家村	Country:	China
Site contact and job title:	Ms. Gao Yao/ Manager		
Site phone:	13884979565	Site e-mail:	1571786822@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	25/9/2021		

Audit Company Name & Logo:  CSR Solutions Limited CSR Solutions <i>for a sustainable business</i>	Report Owner (payer): Qingdao handdier Safety Gloves 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: Ms. Poppy Zeng APSCA number: 21703451

Lead auditor APSCA status: APSCA Register Auditor

Team auditor: Nil APSCA number: Nil

Interviewers: Ms. Poppy Zeng APSCA number: 21703451

Report writer: Ms. Poppy Zeng

Report reviewer: Ms. Cara Li/senior report reviewer

Date of declaration: September 25, 2021

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	5	0	0	NCs: 1. First aider list was not displayed. 2. No trained first aider. 3. The gap between wall and gap was too close. 4. Some employees did not wear gas masks. 5. There is no privacy door in the toilet.
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	NC: 1. Insufficient social insurance coverage.
6. Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: Excessive monthly overtime hours.

7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	Sub-Contracting and Homeworking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	Entitlement to Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	Environment 2-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B4	Environment 4-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A
10C	Business Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A

General observations and summary of the site:

The site was established in June 2016, and has been operating at current site since June 2016. There was a total of 47 workers currently in the factory. No dormitory, kitchen or canteen was provided for workers.

The audit was performed over 1.0 day by one auditor. The audit included opening meeting, onsite tour, management and worker interviews, document review, pre-closing meeting and closing meeting and summary of findings. All interviewed workers confirmed that they were favourable towards the factory. They enjoyed the work and stated it was a friendly environment. Pay is always accurate and is paid on time; no issues with the payslips were noted. Also, they stated that they felt comfortable in approaching with any concerns they have.

No Business Critical Issues have been raised. Only several Non-compliance issues have risen in elements listed in above table. Please refer to Section of Audit Results by Clause for a summary of the evaluation results.

**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:	QINGDAO HANDDIER SAFETY GLOVES CO LTD		
B: Site name:	Qingdao handdier Safety Gloves co LTD 青岛恒祥源防护品有限公司		
C: GPS location: (If available)	GPS Address: MAJIA VILLAGE JIAOXI TOWN JIAOZHOU CITY, QINGDAO, SHANDONG PROVINCE 山东省青岛市胶州市胶西镇马家村	Latitude: N36°30' Longitude: E126°12'	
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business licence no. 91370281MA3CCEHJ03 Valid from June 20, 2016 to long term		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Gloves		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Production Building No. A	Description	Remark, if any
	Floor 1	Workshop & Warehouse	Establishment: 2012
	Is this a shared building?	No	
	<p>Qingdao handdier Safety Gloves co LTD was founded on June 2016, and has been operating has been operating at current site since June 2016. It was located at MAJIA VILLAGE JIAOXI TOWN JIAOZHOU CITY, QINGDAO, SHANDONG PROVINCE, China. There was a total of 47 workers currently in the factory. No dormitory, kitchen or canteen was provided for workers.</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, the structure of factory buildings was safe and integrated, and no crack was found during the audit.</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: The factory has provided Construction Building Safety Check Report for review.</p>
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	There was no peak or slack season in the past one year.
I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i>	<p>The factory was manufacturing gloves</p> <p>The main production processes were listed as below: Mixing - dipping - drying stripping - printing – packaging</p> <p>The main production equipment was printing machines, dipping machines, mixing machine etc.</p>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee: <input checked="" type="checkbox"/> Other (specify): Worker representatives were available in the factory. <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
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 checked="" type="checkbox"/> No N1: If no, please give details No dormitory was provided for workers.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 8:00 Day 1 Time out: 16:00	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1.0 Man-day (1 auditor *1 day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Gao Yao/ 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:	27/8/2020		
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

<p>D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i></p>	<p>N/A</p>
<p>E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i></p>	<p>No unions in the factory.</p>

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	26							26
Worker numbers – female	21							21
Total	47							47
Number of Workers interviewed – male	5							5
Number of Workers interviewed – female	5							5
Total – interviewed sample size	10							10



A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: <u>Chinese</u> B2: Nationality 2: _____ B3: Nationality 3: _____</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: N/A, there was no peak or slack season in the past one year.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: <u>0</u> % workers on piece rate D1: <u>100</u> % hourly paid workers D2: <u>0</u> % salaried workers</p> <p>Payment cycle: D3: <u>0</u> % daily paid D4: <u>0</u> % weekly paid D5: <u>100</u> % monthly paid D6: <u>0</u> % other D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group, 4 workers/group, total 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?	No special complaint from the interviewed workers.
I: What did the workers like the most about working at this site?	All workers said they were satisfied with manner of factory management.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	All interviewed workers said they accepted the current working hours
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

L1: If yes, please give details:

M: Attitude of workers:

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

The factory agreed auditor to conduct confidential interviews with workers who were chosen freely without any influence by the factory.

The interviews were conducted in an independent room. The interviewees were assured of confidentiality and they spoke freely of their views of the factory. The interviewees showed a cooperative attitude and effective evidence was collected during the worker's interview.

All interviewees said they were satisfied with their employment at the factory and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationship with their supervisors and managers who treated them with respect. They were able to make suggestion or grievance to suggestion box, boss or worker representatives.

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

Interviewed worker representative was satisfied with the work condition in general. The representative stated that they could give suggestions on all parts of the site's practices.

O: Attitude of managers:

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

The factory management was well co-operative during the audit and demonstrated a willingness to improve all issues found in the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established policy related to human right.
2. The factory communicated the policy to all employees by training, and sent the requirement of the policy to its suppliers and obtained commitment from suppliers for complying with the policy.
3. The factory had assigned a management person to be responsible for implementing standards concerning Human rights, identified its stakeholders and salient issues, and measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
4. All interviewees confirmed that they could report any issues related human right to the workers representatives, or boss directly, Also, the workers may report to suggestion box, named or anonymous, no reprisals happened.

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

Details:

- Records created by the factory
- Management interview and workers' interview
- Complaint & handling record.

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Factory promises to respect human rights in non-discriminatory, safe work, freedom of Association, equal work, not treated harshly or humanely, the right to education and development, protect own physical and mental health, obtain the necessary food, clothing and lodging rights, gain the security of life, prohibits the use of child labour and forced labour rights, the right to gain minimum wage / minimum living wage, and get the right to rest and leisure.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Gao Yao Job title: Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Workers could report any issues related human right to the workers representatives, or boss directly, Also, the workers may report to suggestion box, named or anonymous. Factory would response within 10 days.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had established procedure to protect workers' information, and it was implemented.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: None observed.</p> <p>Local law or ETI/Additional elements / customer specific requirement:</p> <p>Comments:</p>		<p>Objective evidence observed: None observed.</p>

Good examples observed:

Description of Good Example (GE): None observed.	Objective Evidence Observed:
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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: Jan. – Dec. 2020 <u>1.1</u> %	A2: This year: Jan – Aug. 2021 <u>1.5</u> %
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]	Jun. - Aug. 2021: <u>1.67</u> %	
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: Jan. – Dec. 2020 <u>3</u> %	C2: This year: Jan - Aug. 2021 <u>3.2</u> %
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	Jun. - Aug. 2021: <u>0.8</u> %	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: If there was accident happened, the factory would make records.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Jan. – Dec. 2020 Number: Nil	F2: This year: Jan – Aug. 2021 Number: Nil
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]	Jun. - Aug. 2021: Number: Nil	
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: Jan. – Dec. 2020 Nil	H2: This year: Jan – Aug. 2021 Nil
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months <u>0</u> % workers	I2: 12 months <u>0</u> % workers

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

1. The factory had established a management system to manage the social accountability issues in the factory. Management review and internal assessment system was implemented to make improvement.
2. The factory posted ETI code on board, and communicated this Code to all employees by training. Based on talking with factory management and workers, they were familiar with both local laws and ETI Base Codes.
3. Ms. Gao Yao/ Manager was responsible for compliance with the local laws and Codes.

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

Details:

- A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.
- Management interview and workers interview confirmed that the factory provided training on social compliance policy and detailed requirement to them.

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 evidence was identified.

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

Yes

No

B1: Please give details:

The factory had established relevant procedures about reducing the risk of forced labour, child labour, discrimination, harassment & abuse.

<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Based on document review and worker interviews, the factory had established relevant procedures about reducing the risk of forced labour, child labour, discrimination, harassment Etc. and provided relevant training for workers.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Managers and workers have received training in the standards for forced labour, child labour, and discrimination etc.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training materials, training records with attendees' signatures were provided, and management and workers interviewees confirmed that they received the training for the policy/procedures.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: No such certification was identified.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Factory organization chart was provided, Human Resources department was available, and the department header reported to general manager.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Plant manager was responsible for implementation of the code.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The privacy procedures for workers' information were provided.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The privacy procedures for workers' information were provided.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment records for policy and procedure were provided.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	L1 Please give details: Corrective action was implemented and verified, and records were provided.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had established suppliers' management procedure, and communicated the policy to all suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: N/A, the factory rented the site from a private landlord.
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: The admin. Department was responsible for conducting legal due diligence.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC:
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: No such evidence was identified.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R1: Please give details: No such evidence was identified.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No such evidence was identified.

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> None observed.</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective evidence observed: None observed.</p>

1: Freely Chosen Employment

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory rules and policies showed that employees could be freely resignation after communication with management in advance 30 days. No deposit would be required.
2. There was a non-formalised application procedure which states that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook was given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office.

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

Details:

- Based on interview with the management and workers, employees could be freely resignation after communication with management in advance. They did not require lodging their identity papers to the factory. And no deposit was required during the requirement.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no forced, bonded or involuntary prison labour identified.
- Personnel files (all were checked)
- Resignation records
- Factory rules
- Employee handbook

Any other comments:

Nil

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

D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: There is no any restrictions on workers' freedom to terminate employment
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: No such evidence was identified.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The factory had established controlling procedure for its suppliers, communicated the anti-policy forced / trafficked / bonded labour policy with its employees and suppliers, and conducted regular onsite assessment for its suppliers.
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 had established anti-forced/trafficked labour policy, communicated the policy with its employees, and conducted regular internal audit to assure that there was no forced/trafficked labour happened.

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p>	<p>Objective evidence observed: None observed.</p>

Comments:	
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Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. Based on documents review, management and workers interview, it was identified that worker representatives were available, and they were elected by workers freely.
- 2. The procedure and meeting records showed that the worker representatives communicated with factory management quarterly. And relevant records were kept by the factory.
- 3. There was no trade union established in the factory.
- 4. All interviewees confirmed that they could raise their complaints to the workers representatives, suggestion box or boss directly.

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

Details:

- Complaint & handling record.
- Freedom of Association policies.
- Meeting minutes of the workers committee meeting.
- Selection program and records.

Any other comments:

Nil

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify): Worker representatives were available in the factory. <input type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>C: Is it a legal requirement to have a worker's committee?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box, worker representatives or report to boss directly</p> <p>D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Factory provided adequate facilities to worker representatives to have meeting.</p>	
<p>F: Name of union and union representative, if applicable:</p>	<p>No trade union was established in the factory, and worker representatives were available in the factory.</p>	<p>F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>Worker representatives Workers could raise their complaint to the worker representatives, suggestion box or reflect to boss directly.</p>	<p>G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Based on worker interviews, workers knew their representatives, e.g. Chen Ying</p>
<p>I: Were worker representatives freely elected?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>I1: Date of last election: March 09, 2020</p>
<p>J: Do workers know what topics can be raised with their representatives?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Based on workers interview, workers could raise their any concerns, suggestion or grievance to the worker representatives. For example, some workers reported to worker representative that they hope factory could provide more skill training for them. The factory management adopted the opinion, and made improvement.</p>	
<p>K: Were worker representatives/union representatives interviewed?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: One worker representative was interviewed.</p>	
<p>L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i></p>	<p>The meeting records were kept by the factory. According to the latest records, the meeting was held on August 23, 2021, worker representatives reported that some workers hope factory could provide more skill training for them. The factory management adopted the opinion, and made improvement.</p>	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA	M2: ____% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A, there was no CBA	

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - 1.1 The factory had established health and safety policy.
 - 1.2 The factory had set up an EHS committee, as per the organizational structure, one management level staff was appointed as the responsible person for health and safety.
 - 1.3 Meeting minutes showed that the EHS committee held regular meeting with factory top management.
 - 1.4 Potable water was provided for workers at each workshop. Based on workers interview, they could access the potable water freely during working time.
 - 1.5 Based on observation on site, the air quality and lighting were acceptable at each workshop.
 - 1.6 Based on observation on site, the toilets were clean and with running water.
2. Fire safety
 - 2.1 Adequate extinguishers and fire hydrants were installed in the factory.
 - 2.2 Check records of fire fighting equipment were available on site, it was identified that all fire fighting equipment were checked by safety guards monthly and were in good condition.
 - 2.3 There were at least two exits at each floor. All fire exits and escape routes were unblocked and unlocked, enough emergency lights and evacuation indication were available.
 - 2.4 Fire drill records with photos showed that the factory conducted fire drill twice per year, covering the use of the fire extinguisher system and evacuation exercise.
3. Machinery/Facility/Electrical safety
 - 3.1 Most machines/facilities were maintained in good condition.
 - 3.2 No exposed wires or bad practice for using electric was identified.
 - 3.3 There was one electrician in the factory. The certificate was provided by the factory for review during the audit.
4. Chemical safety
 - 4.1 Chemicals such as glue, solvent, or paint etc. were used during processing. MSDS (materials safety data sheet) was available.
 - 4.2 Workers were provided training on how to handle chemicals

- 5. Site permit/certificate
 - 5.1 The factory provided the fire safety certificate and structure safety certificate of factory building for review.
- 6. Medical/First aid/Personnel Protective Equipment
 - 6.1 Accident records were kept and provided for review. It was identified that no significant accident was occurred in the factory. For any accident, the factory had conducted root cause analysis / corrective actions / preventive actions.
 - 6.2 Sufficient trained first aid personnel were not available in the factory, the certificates of first aider were not provided for review.
 - 6.3 Based on observation on site, first aid kit with adequate medicines was available onsite.
 - 6.4 Personnel protective equipment was provided for workers free of charge.

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

Details:

- Health and safety policy
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Building structure safety certificate
- Accident reports
- Onsite tour
- Interviews with H&S manager/HS committee member

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: General Health & Safety and occupational Health & Safety policies and procedures were provided, and training records were kept by the factory.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: General Health & Safety and occupational Health & Safety policies and procedures were included in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No such evidence was identified.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Auditor was informed on H&S and factory provided proper personal protective equipment to auditor before entering the workshops.</p>

<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No legal requirement for this kind of industry.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: First aid box was available onsite, no first aider.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Workers lived near the factory.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A, no dormitory was provided for workers.</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Risk assessment report or corrective action report was provided, and factory took proper action to reduce identified risk.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory obtained all legally required permits on environment.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory met with customer's requirement on environment standard, and no banned chemicals was used.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that first aider list was not displayed at production workshop</p> <p>Local law and/or ETI requirement ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Local law:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> 1.Factory tour</p>

Standard for dispensing first-aid medicine kits (GB M281745) article 3 management of first-aid kits:

Keep your first aid kit close to your workplace. Each first aid kit should be labeled with a list of essential items and their quantities for easy inspection and refill. All first aid kits should be stocked according to the designated list. The first aid kit should contain a list of all the people in the factory who have received formal first aid training. Designated personnel are responsible for checking and replenishing first aid kit supplies on a regular basis. In addition, use common sense to assess the availability of first aid kit - if it is far from the area of production, valuable time is lost in getting medicine to the injured person. For dangerous operations such as pressing or cutting, a first aid kit should be provided in this area. If the toolbox is locked, the keys must be kept in an accessible location and not held by someone who may need to leave the production area. Similarly, night workers must be able to open first aid kits.

Recommended corrective action:

It is recommended that factory should display first aider list in the factory.

2. Description of non-compliance:

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

It was found that no trained first aider were available at the factory where toxic substances (i.e. printing ink) were used.

Local law and/or ETI requirement:

ETI Base Code 3.1

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

Local law

Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used, Paragraph 2 of Article 17:

Employment units shall adopt effective occupational health protection and management measurements and strengthen protection and management in the labor process. The employing units that engage in the operations in which high toxic substances are used shall assign the full-time or part-time occupational health doctors and nurses. Where they have no conditions to assign such doctors and nurses, they shall sign contracts with the occupational health and technical service agencies that have obtained qualification certification according to law for the provision of occupational health services.

Recommended corrective action:

The factory should ensure first aider be available at the factory.

3. Description of non-compliance:

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

It was noted that gap between stacks and wall was 0.1 meter, which was less than the legal requirement of 0.5 meter

2. Factory tour, document review and management interview

3. Factory tour
See photo NC#1

Local law and/or ETI requirement:

ETI Base Code 3.1

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

Local law

In accordance with Article 18 of Rules for Warehouse Fire Prevention Safety Management:

The goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.

Recommended corrective action:

The stacking of goods in the factory warehouse should meet the legal requirements

4. Description of non-compliance:

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

It was noted that the factory provided PPE for its dipping workshop worker, but some employees did not wear gas masks.

4. Factory tour
See photo NC#2

Local law and/or ETI requirement:

ETI Base Code 3.1

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

Local Law:

Safety Manufacturing Law article 37:

Manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.

Recommended corrective action:

It was suggested that the factory should supervise and educate employees to wear personal protective equipment properly where applicable.

5. Description of non-compliance:

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

The toilets on work floor were not installed with compartment with privacy doors.

5. Factory tour

Local law and/or ETI requirement:

ETI Base Code 3.3

<p>Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>Recommended corrective action: Factory should install compartment with privacy doors in all toilets.</p>	
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established policy and procedure on prohibiting child labour.
2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify their ages.
3. Based on documents review, the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour was identified in the factory. The youngest worker was 20 years old.

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

Details:

- Recruitment policies.
- Employees' personal files/ Employment registration/roster.

Any other comments: Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	20 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: There was no worker under 18 years old in the factory.

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The wages were calculated by factory accountant, and the wage calculation period was natural monthly calendar.
3. All workers were paid by hourly rate, and the wages were paid in cash by the 30th of next month. Payment slip was given to workers.
4. The wages consist of basic wage, legal overtime premium, and a fixed amount of full attendance bonus.
5. Except for social insurance, Legal benefits such as paid annual leave, marriage & funeral leave and maternity leave etc. were provided for all eligible workers.
6. Based on factory rules review, if the factory rules were broken, relevant workers would be warned, fired and trained.
7. All interviewed workers confirmed the above.

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

Details:

- Attendance records: August 2020 to September 24, 2021
- Payrolls records: August 2020 to July 2021
- Leave records
- Social insurance and payment receipts from the local labour department
- Labour contracts for all employees
- Resignation records
- Payslips of all workers interviewed

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Base on the management and worker interview, none of the employees were provided with five kinds of social insurance.</p> <p>Local law and/or ETI requirement: Social Insurance Law of the People's Republic of China, Article 10: Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23: Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33: Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44: Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53: Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state. ETI Base Code 5.1: Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: It is recommended that factory management adopt practices and controls to ensure that the employees receive all their statutory welfare entitlements.</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>1. Document review/ Management and worker's interview:</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal minimum: 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: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal minimum: Maximum 3 hours per day, 36 hours per month	B1: Maximum: 2 hours per day, 66 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB 1730 per month (RMB 9.94 per/hour)	C1: At least RMB 2300 per month (RMB 13.22 per/hour)	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150% of normal wage for overtime on workdays. 200% of normal wage for overtime on rest days. 300% of normal wage for overtime on holidays	D1: 150% of normal wage for overtime on workdays. 200% of normal wage for overtime on rest days. No overtime was arranged on holidays.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>C1: If Yes, please give details:</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If No, please give details:</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i></p> <p>RMB2300/month RMB13.22/hour</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: <u>100</u>% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i></p> <p>RMB50 per month as full attendance bonus.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance fee and personal tax.</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Personal tax. 2. Social insurance fee</p> <p>Please describe: Social insurance fee and Personal tax</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Nil 2. Nil</p> <p>Please describe: No evidence</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>L1: Please give details: Based on review of payroll records and worker interview, the records reflected all time worked.</p>		

<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time:</p>
<p>M2: If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory reviewed the wages once a year.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>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: Through document review and workers' interview, it was confirmed that equal rates are being paid for equal work.</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:

1. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory.
2. The working time of workers was recorded by face recognition system, and the factory provided the working hour records from August 2020 to September 24, 2021 for review during the audit.
3. Based on the workers' interview and working hour records provided by the factory, it was noted that workers had 2 overtime hours at night per day, occasionally 8 hours on Saturdays sometimes. So, it was noted the maximum overtime was 2 hours per day, 66 hours per month, and the total working hours was 54 hours per week.
4. Based on the working time records from August 2020 to September 24, 2021 and workers interview, workers had at least one day off in every 7 days.

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

Details:

- Working time records: August 2020 to September 24, 2021
- Payrolls records: August 2020 to July 2021
- Factory policy on working hours
- Worker contracts
- 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:

Through document review, management and workers interview, it was noted that monthly overtime hours exceeded the legal requirement of 36 overtime hours per month at maximum:

- 1). The monthly overtime hours of 10 out of 10 randomly selected employees ranged from 66 hours in July 2021 (most recent month)
- 2). The monthly overtime hours of 10 out of 10 randomly selected employees ranged from 56 hours in April 2021 (random month).
- 3). The monthly overtime hours of 10 out of 10 randomly selected employees ranged from 60 hours in November 2020 (random month).

Remark:

The maximum weekly working hours of all sampled workers was 54 hours per week, and daily overtime was 2 hours.

Local law and/or ETI requirement:

PRC Labor Law article 41: The employing unit may extend working hours due to production or business requirements after consultation with the trade union and workers, but the extended working hours for a day shall generally not exceed 1 hour. If such an extension is called for due to special circumstances, the extended hours shall not exceed 3 hours a day provided that the health of workers is guaranteed. However, the total extension in a month shall not exceed 36 hours.

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

Recommended corrective action:

Factory should reduce overtime hours to ensure they are within the legal standard.

Objective evidence observed:

(where relevant please add photo numbers)
1. Document review/ Management and workers interviews:

Observation:

Description of observation:

None observed.

Local law or ETI requirement:

Comments:

Objective evidence observed:

None observed.

Good Examples observed:

Description of Good Example (GE):

None observed.

Objective Evidence Observed:

None observed.

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: The working time was recorded by fingerprinting system.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard /contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts /employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
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:			
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:
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:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	<p>Highest OT hours: 10 out of 10 samples from most current month of July 2021: Daily OT: Max. 2.0 hours Weekly OT: Max. 14 hours Monthly OT: Max. 66 hours</p> <p>10 out of 10 samples from April 2021 (random month): Daily OT: Max.2.0 hours Weekly OT: Max.14 hours Monthly OT: Max. 56 hours</p> <p>10 out of 10 samples from November 2020 (random month) Daily OT: Max.2.0 hours Weekly OT: Max.14 hours Monthly OT: Max. 60 hours</p>	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	100%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</p> <p>As per labor contract, payroll records and workers interview, it was noted that overtime is voluntary.</p>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal	<p>M1: Please give details of normal day overtime premium as a % of standard wages:</p> <p>150% of normal wage for overtime on workdays;</p>

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

1. The factory had established anti-discrimination policy and procedure on 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.
2. No evidence of discrimination was found in the factory.
3. The interviewed workers and worker representative did not feedback any cases of discrimination.
4. There was no evidence of sexual harassment.
5. There was an internal grievance mechanism, all interviewed workers were aware of the grievance channel in case they encountered discrimination cases.

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

Details:

- Payrolls
- Attendance records
- Termination records
- Training records
- Workers interview

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>25</u> % A2: Female: <u>75</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	One female worker worked at quality inspection
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found

	<p>C1: Please give details: Based on document review, worker interview and management interview, no evidence of any discrimination was detected.</p>
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Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>Trainings for social accountability, quality, factory rule and legal laws and EHS etc.</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please give details:</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established policy/procedure on legal employment.
2. All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified.
3. Based labour document review and workers interviews, the factory had signed labour contract with all employees within one month after employment, and one copy of labour contract was issued to them.
4. No subcontractor was used by factory.

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

Details:

- Employee Manual,
- Hiring and termination procedure
- Labour contract
- Personal files
- Payroll records

Any other comments:

Nil

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

Responsible Recruitment

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

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

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	There were no migrants from different countries and different provinces.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: Nil B2: Total number of (outside of local country) recruitment agencies used: Nil There was no recruitment agency used by the factory. All employees were hired directly by the factory.
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A, No such evidence.
D: Are Any migrant workers in skilled, technical, or management roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 4 Roles: Vice general manager, Manager, Supervisor

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

NON-EMPLOYEE WORKERS

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

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

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

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. No sub-contractor was used in the factory.
2. No homeworking was used in the factory.

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

Details:

- Site tour (Calculation on total production and estimated capacity)
- Materials in/out records
- Management interview
- Workers interview

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

None observed.

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

None observed.

Observation:

<p>Description of observation: None observed.</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>
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Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

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

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
<p>A: If homeworking is being used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes, summarise details:</p>		
<p>B: Number of homeworkers</p>	<p>B1: Male:</p>	<p>B2: Female:</p>	<p>Total:</p>
<p>C: Are homeworkers employed direct or through agents?</p>	<p><input type="checkbox"/> Directly <input type="checkbox"/> Through Agents</p>		<p>C1: If through agents, number of agents:</p>

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

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

ETI

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

Additional elements:

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

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

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements. According to the factory regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory. The workers interviewed said they were never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory. No evidence of harsh or inhumane treatment was found in factory rules. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> Factory regulations Hiring procedures and anti-harassment training records were checked. <p>Any other comments: Nil</p>

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>None observed.</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>None observed.</p>

Observation:	
<p>Description of observation:</p> <p>None observed.</p> <p>Local law or ETI requirement:</p>	<p>Objective evidence observed:</p> <p>None observed.</p>

Comments:	
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Good Examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: None observed.

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had policy on legal employment policy.
2. Through document review, workers and management interviews, it was confirmed that all employees in the factory were Chinese, there was no foreign employee hired in the factory.
3. All workers would be reviewed and validated the original documentation before they employed. The factory recruited the new workers by the advertisements or the workers' recommendation.

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

Details:

- Labour contract.
- Personnel files.
- Worker permit
- Hiring procedure.
- Worker handbook.

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
 None observed.

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)
 None observed.

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI/Additional Elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had written environmental policy.
2. The facility obtained the environmental certificates and reports, e.g. Environmental Impact Registration form/EIR approval/Testing report for air, noise in workshop/ Boundary Monitoring report for air, waste water, and noise/Waste pollutant discharge filling certificate
3. The facility appointed a management level person as environmental representative to handle environmental-related matters and coordinate the facility's efforts to improve environmental performance. Based on management interview, the factory was aware of and complied with their end clients' environmental requirements.
4. Hazardous waste was handled by licensed agency, relevant documents were provided for reviewing.
5. Through viewing the local government websites and interviews with facility management, it was confirmed that the facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Details:

- Environmental Impact Registration form/EIR approval/ Testing report for air, noise in workshop/ Boundary Monitoring report for air, waste water, and noise/ Waste pollutant discharge filling certificate
- Factory tour.
- Management interview and workers interview.

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law None observed.</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> None observed.</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI/additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed: None observed.</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: None observed.</p>

Other Findings Outside the Scope of the Code

Nil

Community Benefits

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













Nil





Appendix 1

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

Not Applicable please x

Photo Form

		
<p>Factory name</p>	<p>Factory gate</p>	<p>Office building</p>
		
<p>Drying stripping</p>	<p>Dipping</p>	<p>Mixing</p>
		
<p>Packing</p>	<p>Finished product warehouse</p>	<p>Fire hydrant</p>
		
<p>Fire extinguishers</p>	<p>Factory floor plan</p>	<p>Emergency exit sign</p>

Fire extinguisher	Emergency evacuation plan	Emergency lights and exits
		
Drinking water area	Attendance machine	Suggestion box
	Nil	Nil
First aid kit	Nil	Nil



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