




# Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1090217	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1044881
Business name (Company name):	Forever Standing Stationery Co.,Ltd		
Site name:	Forever Standing Stationery Co.,Ltd 东莞市佛爱娃工艺品有限公司		
Site address: <i>(Please include full address)</i>	#2 Fuxiang ST., Hengjiao Village, Shijie Town, Dongguan, Guangdong, China 东莞市石碣镇横滘村富祥街2号	Country:	China
Site contact and job title:	Mr. He Dong / Administrative Manager		
Site phone:	86 769 22016006	Site e-mail:	sales@fssdg.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar
			<input checked="" type="checkbox"/> Business Ethics
Date of Audit:			

<p><b>Audit Company Name &amp; Logo:</b></p> <p>TÜV SÜD China</p> 	<p><b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i></p> <p>Forever Standing Stationery Co.,Ltd</p>
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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)			

## 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):

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

Lead auditor: Mr. Alex Lee, Senior Auditor APSCA number: RA21700804

Lead auditor APSCA status: RA

Team auditor: N/A APSCA number: N/A

Interviewers: Mr. Alex Lee APSCA number: RA21700804

Report writer: Mr. Alex Lee

Report reviewer: Kelly Pan / Senior Report Reviewer

Date of declaration: 30 October 2019

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

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>				· Nil.
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				· Nil.
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				· Nil.
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				· Nil.
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	<ul style="list-style-type: none"> <li>· NCs:</li> <li>· 1. Workers didn't wear PPE or wear correctly.</li> <li>· 2. No occupational health examination provided to some workers.</li> <li>· 3. No secure personal storage was provided in dormitory.</li> </ul>
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	· Nil.

5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	· NC: Insufficient social insurance coverage.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	· NC: Monthly overtime hours was not in line with local law.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	· Nil.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	· Nil.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	· Nil.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	· Nil.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	· Nil.
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	· N/A.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	· Nil.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	· Nil.
General observations and summary of the site:									

During this initial audit, total 5 non-compliances were noted including 3 non-compliances in Safety and Hygienic Conditions, 1 non-compliance in Living Wages and Benefits, 1 non-compliance in working hour. In addition, no observation and good example was noted.

*\*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:	Forever Standing Stationery Co.,Ltd		
B: Site name:	Forever Standing Stationery Co.,Ltd 东莞市佛爱娃工艺品有限公司		
C: GPS location: (If available)	<table border="1"> <tr> <td>GPS Address: #2 Fuxiang ST., Hengjiao Village, Shijie Town, Dongguan, Guangdong, China</td> <td>Latitude: N23° 4' 59" Longitude: E113° 45' 53</td> </tr> </table>	GPS Address: #2 Fuxiang ST., Hengjiao Village, Shijie Town, Dongguan, Guangdong, China	Latitude: N23° 4' 59" Longitude: E113° 45' 53
GPS Address: #2 Fuxiang ST., Hengjiao Village, Shijie Town, Dongguan, Guangdong, China	Latitude: N23° 4' 59" Longitude: E113° 45' 53		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business licence number: 91441900796237440T The valid date: From 28 November 2006 to long term.		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Leather wire box, Leather Jewellery box, Leather cosmetic box, Leather basket		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The factory was founded on 18 November 2006 and it was located at #2 Fuxiang ST., Hengjiao Village, Shijie Town, Dongguan, Guangdong, China.</p> <p>It occupies about 4,006 square meters with partial 1F and 2F of one 3-storey building for production and warehouse, one 5-storey building for office, 1F-3F of one 4-storey building for dormitory and kitchen/canteen. The number of production employees is 50 and the number of non-production employees is 10, The number of local employees is 13 and the number of migrant employees is 47.</p> <p>For below, please add any extra rows if appropriate.</p>		



	3-storey Production Building no 1	Description	Remark, if any
	Floor 1	Cutting/gluing, stamping/assembly, /packing workshop, material/finished products warehouse.	Year of establishment: 2006
	Floor 2	Gluing/sewing/assembly /packing workshop	Year of establishment: 2006
	Is this a shared building?	Yes	1F shared with the factory named "Dongguan Shijie Yinchuan Electronic Factory"; 3F occupied by the factory named "Dongguan Taite Electronic Co. Ltd."
	4-storey dormitory Building no #1	Description	Remark, if any
	Floor 1	Kitchen and canteen	Year of establishment: 2006
	Floor 2	Dormitory room	Year of establishment: 2006
	Floor 3	Dormitory room	Year of establishment: 2006
	Is this a shared building?	Yes	Shared with the factories named "Dongguan Shijie Yinchuan Electronic Factory" and "Dongguan Taite Electronic Co. Ltd."
	5-storey office Building no #1	Description	Remark, if any
	Floor 1	office	Year of establishment: 2006
	Floor 2	office	Year of establishment: 2006
	Floor 3	office	Year of establishment: 2006
	Floor 4	office	Year of establishment: 2006
	Floor 5	office	Year of establishment: 2006
Is this a shared building?	No	N/A	

	<p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Verified though factory tour, no visible structural integrity issues (large cracks) were observed.</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:</p>
<p>G: Site function:</p>	<p><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</p>
<p>H: Month(s) of peak season: (if applicable)</p>	<p>No obvious peak season.</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>The main products being produced in the factory are Leather wire box, Leather Jewellery box, Leather cosmetic box and Leather basket, there are 5 production lines in the factory.</p> <p>The main production processes: cutting, gluing, sewing, stamping, assembly, packing, etc.</p> <p>There are about 16 sets of machines including cutting machine, gluing machine, sewing machine, stamping machine, packing machine and etc in the factory.</p>
<p>J: What form of worker representation / union is there on site?</p>	<p><input type="checkbox"/> Union (name)  <input checked="" type="checkbox"/> Worker Committee  <input type="checkbox"/> Other (specify)  <input type="checkbox"/> None</p>
<p>K: Is there any night production work at the site?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  <p>L1: If yes, approx. 50% of workers in on site accommodation</p> </p>

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

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:47 Day 1 Time out: 18:00	Day 2 Time in: 08:35 Day 2 Time out: 12:35	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1.5		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi - announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input 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)	Mr. He Dong / Administrative 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:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input checked="" type="checkbox"/> N/A		

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

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	6	0	0	28	0	0	0	34
Worker numbers – female	7	0	0	19	0	0	0	26
Total	13	0	0	47	0	0	0	60
Number of Workers interviewed – male	2	0	0	5 (including one worker for business ethic)	0	0	0	7
Number of Workers interviewed – female	1	0	0	4 (including one worker for environment)	0	0	0	5
Total – interviewed sample size	3	0	0	9	0	0	0	12

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:</p> <p>B1: Nationality 1: <u>Chinese</u></p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100% of Chinese</u></p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: _____% other</p> <p>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>	4 workers (1 group of 4 workers).
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 4      D2: Female: 2
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details N/A
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?	Interviewees stated that they didn't have complaints to the factory.
I: What did the workers like the most about working at this site?	Interviewees stated that the management in the factory was kind to them and their work was so easy, so they were satisfied with the working conditions in the factory.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	The workers were satisfied with the 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*

10 sampled workers were selected from different working stations for private interview. 6 workers were individual interview and 4 workers were group interview (1 group of 4 workers). During worker's interview, all employees were well present. Interviewees claimed that the management in the factory was kind to them; they were satisfied with the conditions in the factory and had no complaints to the factory.

**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*

There was no labour union in the facility. And one Worker Representative was present to opening meeting, the process of audit and closing meeting. He was favourable with the management and factory environment and no negative information was raised.

**O: Attitude of managers:**

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

The factory representatives were cooperative during the audit. They offered assistance to complete the audit including factory tour, document review, workers and management interview. And they stated that they would carry out corrective actions against the findings in this audit to meet the requirements of the client.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

The factory had a designated person (Mr. He Dong / Administrative Manager) responsible for implementing standards concerning human rights.

The factory identified their stakeholders and salient issues.

The factory measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

As shown in the social compliance procedure, when the factory had an adverse impact on human rights within any of their stakeholders, they would address these issues and enable effective remediation.

The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

#### Details:

Social compliance responsible person appointment letter.

Social compliance policy.

Social compliance procedures such as protection procedure for confidentially reporting, forbidding fear of reprisals towards the reporter, etc.

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: Social compliance policy was established.</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. He Dong  Job title: Administrative 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:  Complaints procedure was established.</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:  Effective data privacy procedures for workers' information were established and 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: N/A</p>	<p>Objective evidence observed: N/A</p>

Comments: N/A	
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Good examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: N/A

## 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: __26__ %	A2: This year __35__ %
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 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	25%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __0__ %	C2: This year __0__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: As shown in accident statistic records, no accident happened till now.	
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: 0 Number: 0	F2: This year:0 Number:0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

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

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

**Current Systems and Evidence Examined**

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

Current systems:  
 Verified through document review and management interview, Sedex SAQ was provided on site. The factory provided its valid business license for review and provided evidence to show that the land of the factory used was industry land sold by government. Verified through document review and management interview, employee manual, social responsibility manual, policy and procedures were established, Mr. He Dong / Administrative Manager was responsible for compliance with the ETI Base Code. Verified through document review and workers/management interview, the factory had communicated the ETI Base Code to their employees and had extended the principles of this Ethical Code through their supply chain.

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

Details:  
 SAQ, business license, employee handbook, social responsibility management policy and procedures, applicable laws and regulations, ETI training records, ETI supplier assessment records, land use license, etc.

Any other comments: Nil.

**Management Systems:**

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No any fines/prosecutions for non-compliance to any regulations till now.
--	---

<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      B1: Please give details:                      Employee manual, social responsibility management policy and procedures were established.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>As per onsite observation, document review and worker/management interview, the social responsibility management manual and procedure were implemented effectively, relevant social responsibility records such as training records, internal audit report was provided for review.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      D1: Please give details:                      Training records of employee manual, social responsibility management manual and procedures were provided to show the managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      E1: Please give details:                      Training records of employee manual, social responsibility management policy and procedures were provided.</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:                      N/A</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:                      Mr. He Dong / Administrative 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:                      Ms. Huang Yang Fei / Vice General Manager</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:                      Social compliance procedure was in place.</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:</p>

	Social compliance procedure was in place.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment records were provided.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The risks had been identified, controlled and reduced through formal risk analysis process.
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 policy was included in social compliance procedure. And the labour standard assessment for suppliers was conducted.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided the land use certificate.
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 procedure was established.
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 type="checkbox"/> No Q1: Please give details: N/A, the land of the factory used was industry land sold by government.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A, the land of the factory used was industry land sold by government.
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.



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

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

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective evidence observed: N/A</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:  
 According to workers interview and document review: Labour contracts were signed, all employees' personnel files with the ID card photocopies were kept in the factory. The factory didn't allow security guard to restrict worker movements, no any deduction was made as per payrolls review and workers interview, the factory would not employ any forced, bonded or prison labour, employees were not required to lodge any deposits or their identity cards with their employer when they were employed, and they were free to leave the factory with 30 days' notice in advance.

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

Details:  
 10 randomly sampled production workers' labour contracts.  
 Worker interview.  
 10 randomly sampled production workers' personnel files and ID card photocopies.  
 Security guard work instruction.  
 10 randomly sampled production workers' payrolls of recent 12 months  
 Written policy on prohibiting forced, bonded or prison labour.  
 Employee handbook and other factory rules.

Any other comments: Nil.

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

<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  D1: Please describe finding:                  No any restrictions on workers' freedom to terminate employment.</p>
<p>E: If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  <input checked="" type="checkbox"/> Not applicable                  E1: Please describe finding:                  N/A</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  F1: Please describe finding:                  Known from document review and worker/management interview, no evidence of any restrictions on workers' freedoms to leave the site at the end of the work day was found.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  <input type="checkbox"/> Not applicable                  G1: If yes, please give details and category of workers affected:                  N/A</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  H1: Please describe finding:                  Training on forced / trafficked labour was provided to management, workers and their suppliers. Commitment letters were signed by suppliers to reduce the risk of forced/trafficked labour.</p>

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

Observation:	
Description of observation: None observed.  Local law or ETI requirement: N/A  Comments:  N/A	Objective evidence observed:  N/A

Good Examples observed:	
Description of Good Example (GE):  None observed.	Objective evidence observed:  N/A

**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:

According to worker/ management interview, workers were free to join a union but no union was established in the factory at present. Policy of freedom of association and right to collective bargaining was established. According to worker and management interview, workers could raise their grievance to management directly or through suggestion box. Through workers interview, all workers were clear about these grievance channels. There was one worker representative who was freely elected by workers. The worker representative was not discriminated against and has access to carry out the representative functions in the workplace.  
The right to freedom of association and collective bargaining was not restricted under law.

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

Details:

- Written grievance procedure.
- Site policy on freedom of association.
- Election record of worker representatives and committee.
- Meeting minutes of worker representatives and committee.
- Interview with workers and worker representative.
- Interview with management.

Any other comments: Nil.

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

- Union (name)
- Worker Committee
- Other (specify)
- None

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Report to management or through suggestion box.  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:	
F: Name of union and union representative, if applicable:	N/A. There is no union in the facility.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Report to management, worker representatives or through suggestion box.	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	One workers' representative was voted by the workers: Zhu Le Qiang
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 01 March 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: 1 out of 1 worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The last meeting of Worker Committee Representative was on 02 September 2019. The topic is studying the labour law. The meeting minutes were communicated to all employees via the poster.	

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 N/A. No CBA.	M2: ___% workers covered by worker rep CBA N/A. No CBA.
M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. 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: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>N/A</p>

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

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

- Mr. He Dong / Administrative Manager is assigned to take responsibilities of factory Health & Safety.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings show that there are quarterly meetings between the H&S committee and the factory management, and each point is acted on.
- Health and Safety policy and procedures were established.
- Fire permit and building permits were provided for review.
- Risk assessment report was checked.
- Occupational hazardous factor inspection report was checked.
- Health and safety training records were checked.
- Accident records were checked but no accident happened in the past 12 months.

#### 2. Fire Safety

- Adequate fire exits were available.
- Fire alarms were available.
- Firefighting equipment such as fire extinguishers and fire hydrants were fully installed and checked monthly.
- Fire drill records were checked, fire drill would be carried out twice per year with all workers involved, the latest one was carried out on 18 October 2019.

#### 3. Electrical safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There was one competent electrician employed and the valid electrician certificate was available for review, electrical safety check was conducted monthly by electrician.

#### 4. Chemical safety

- Chemicals list was available.
- The chemicals used in the factory were well controlled, all of them were clearly labelled and provided with secondary containers to prevent from leakage.
- The MSDS of all chemicals was obtained and posted in the chemical usage and storage areas.
- Functional eye washers were installed near all chemical storage and usage areas.

#### 5. PPE management and occupational health examination.



- Proper PPE was provided to relevant workers, most of workers used the PPE properly.
- Occupational health examination was provided to some workers who were in contact with hazardous factors.
- 6. Medical services
  - Total 2 out of 60 employees were trained in First Aid in the factory and they were visibly identified in the factory.
  - First aid boxes were available and medicines inside were valid.
- 7. Special equipment management
  - Special equipment list was provided.
  - Elevator was used in the factory. Annual inspection report of elevator was provided for review.
- 8. Machine safety management
  - Safety protection devices were installed for all the sampled machines.
  - All relevant workers were trained in machine safety operation.
- 9. Drinking water was provided for all workers and valid testing report of water for potability was provided; Sufficient toilet facilities were available at all times to workers in each workshop and dormitory; they were clean and segregated between female and male.
- 10. Dormitory was provided to the workers and it was safety, clean and tidy, showers were provided in the dormitory rooms, but no secure personal storage was provided in dormitory.
- 11. One canteen was provided to the workers. Valid hygienic license of canteen and kitchen staff's health certificates were provided for review.

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

Details:

- Employee manual.
- Health & Safety responsible person appointment letter.
- Health and safety policy.
- Health and safety manual and procedure.
- Health and safety committee minutes.
- Fire permit and building permits.
- Risk assessment report.
- Occupational hazardous factor inspection report.
- Occupational examination record.
- Health and safety training records regarding PPE wearing, chemical safety management and usage, and machine safety operation, etc.
- MSDS (material safety data sheets).
- Accident statistic records.
- Firefighting equipment inspection records.
- Fire drill records.
- Electrical safety inspection records.
- Equipment list.
- Electrician certificate (valid from 05 June 2017 to 05 June 2023)
- First Aider certificates (valid to 07 July 2021)
- Annual inspection report of elevator (Valid to November 2019)
- hygienic license of canteen (valid to 09 April 2022)
- Kitchen staff's health certificates (valid to 23 or 24 October 2020)
- Drinking water test report.
- Interviews with EHS responsible person.
- Interviews with workers and H&S committee members.

Any other comments: Nil.

<p>A: Does the facility have general and occupational Health &amp; 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:  Health and safety policies and procedures were established and trained to workers.</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:  The policies were included in employee 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 any structural additions.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details: Visitors were informed on H&amp;S and provided with personal protective equipment before entering the factory.</p>
<p>E: Is a medical room or medical facility provided for workers?   If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  E1: Please give details: There was no medical room on site. First aid boxes were available at each workshop/warehouse/dormitory/canteen.</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: There were 2 trained first aiders in the factory.</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 type="checkbox"/> No  G1: Please give details: N/A. The facility didn't provide worker transport.</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 checked="" type="checkbox"/> No  H1: Please give details: no secure personal storage was provided in dormitory.</p>
<p>I: Are H&amp;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: H&amp;S risk assessment report was provided.</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: Refer to 10B4 Environment section.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  K1: Please give details: N/A. The factory representative stated that there were no any client's specific environmental requirements received till now.</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 proper personal protective equipment such as active carbon masks/gloves/goggles had been provided to workers who exposed to occupational disease hazards such as hazardous chemical. However, 1 gluing worker didn't wear provided goggles and 2 workers who contacted chemical didn't wear masks correctly while working.</p> <p>Local law and/or ETI requirement                      Local law: In accordance with Production Safety Law of the People's Republic of China, Article 42, Production and business units shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.                      ETI requirement: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action:                      It is recommended that the factory should make sure all workers are wearing the provided appropriate PPE correctly while working.</p> <p>Action by: Mr. He Dong / Administrative Manager,                      Time frame: 30 days,                      Verification method: Desktop</p> <p>2. 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 occupational health examination was only provided to around 2 out of 10 workers engage in operation exposed to occupational disease hazards such as hazardous chemical.</p> <p>Local law and/or ETI requirement                      Local law: PRC Law on Prevention and Control of Occupational Diseases (2002) Amendment (2017), Article 35                      For the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the</p>	<p>Objective evidence observed:                      (where relevant please add photo numbers)                      1. Factory tour;                      (See NC Photo 1, 2)</p> <p>2. Document review</p>

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

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

The occupational health examination shall be undertaken by the medical health institutions approved by the administrative departments of health of the people's governments at the provincial level and above.

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.

**Recommended corrective action:**

It is recommended that occupational health examination should be provided to all workers engage in operation exposed to occupational disease hazards.

Action by: Mr. He Dong / Administrative Manager,  
Time frame: 30 days,  
Verification method: Desktop

**3. Description of non-compliance:**

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

It was noted that no secure personal storage was provided in dormitory.

**Local law and/or ETI requirement**

Local law: In accordance with Regulation on the Building Design of Dormitories (JGJ 36--2005), Article 4.2.3, the bedroom should have storage space, a lockable space with at least 0.50 cubic meters storage per person should be provided; and it could be appropriately enlarged for the frozen, cold, hot-summer and cold-winter areas.

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

**Recommended corrective action:**

It is recommended that secure personal storage should be provided to each worker living in dormitory.

Action by: Mr. He Dong / Administrative Manager,  
Time frame: 60 days,  
Verification method: Desktop

3. Factory tour;  
(See NC Photo 3)

Observation:	
Description of observation: None observed.  Local law or ETI requirement: N/A  Recommended corrective action:  N/A	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE):  None observed.	Objective Evidence Observed: N/A

**4: Child Labour Shall Not Be Used**

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

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

ETI

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The factory established a policy that would never employ and use any child labour under the age of 16 years old. The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. All 10 interviewees' personnel files and ID cards photocopies were provided. As verified through factory tour, workers and management interview, no child labour or young worker was found. The youngest worker was 19 years old.

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

**Details:**

Employment policy  
10 interviewees' ID cards photocopies and personnel files

Any other comments: Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	19 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? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A. No workers under 18

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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:                      N/A</p> <p>Recommended corrective action:                      N/A</p>	<p>Objective evidence observed:                      (where relevant please add photo numbers)</p> <p>N/A</p>

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

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

The factory provided payroll records from October 2018 to September 2019 for review and 10 workers' payrolls of Nov. 2018 (random month), Apr. 2019 (random month) and Sept. 2019 (most completed month) were selected as samples, based on the sampled payrolls, all workers were paid by the hour. The wage would be paid to workers by cash on 20~30th of the following month. Provided records showed that the minimum wage and overtime premium paid to the workers could meet local legal requirements. Known from workers interview and payrolls review, the minimum wage was RMB2000 per month (equal to RMB11.49 per hour) which could meet local legal requirements (higher than the local legal standard RMB1720 per month/RMB9.89 per hour since 01 July 2018), and the factory paid 150% of basic wage for overtime on weekdays and 200% of basic wage for overtime on rest days, no overtime on national holidays till now but they would pay 300% of basic wage for overtime on statutory holidays if workers worked for overtime on statutory holidays which could meet legal requirements too.

Factory had signed labour contracts with the employees, detailed, clear employment conditions and terms were stated in the labour contracts.

Documented disciplinary measures procedure showed that the factory would adopt oral warning, written warning, minor mistake record, major mistake record and termination as disciplinary actions and no disciplinary action was conducted till now, and the workers would not be fined as consequence of violating factory's rules which was verified via worker interview.

the social insurance didn't cover 100% of employees. Eg. 60 employees should be covered in the social insurance of September 2019 (most paid month), social insurance receipts of September 2019 showed that the factory only purchased medical insurance and injury insurance for 28 employees, unemployment insurances and retirement insurance for 26 employees, maternity insurance for 27 employees.

(Remark: The factory didn't purchase commercial accident insurance for employees. (Commercial accident insurance was not required by local law and ETI.)

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

Details:

Worker interview.

Local and national laws.

Wages and benefits policy.



Disciplinary measures procedure.  
 Local legal minimum wage documents.  
 Payroll records from October 2018 to September 2019 and attendance records from 01 October 2018 to the audit date.  
 Leave records.  
 Social insurance and payment receipts from the local labour department.  
 Labour contracts for all employees.  
 Resignation records.

Any other comments:

Non-compliance:

1. Description of non-compliance:

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

It was noted that the social insurance didn't cover 100% of employees. Eg. 60 employees should be covered in the social insurance of September 2019 (most paid month), social insurance receipts of September 2019 showed that the factory only purchased medical insurance and injury insurance for 28 employees, unemployment insurances and retirement insurance for 26 employees, maternity insurance for 27 employees.

Local law and/or ETI requirement:

Local law: In accordance with China Labour Law, Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73, Labourers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:

- (1) retirement;
- (2) illness or injury;
- (3) disability caused by work-related injury or occupational disease;
- (4) unemployment; and
- (5) child-bearing.

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

Recommended corrective action:

It is recommended that the factory should purchase social insurance for all workers.

Action by: Mr. He Dong / Administrative Manager,

Time frame: 120 days,

Verification method: Desktop

Objective evidence observed:

(where relevant please add photo numbers)

- 1. Document review.

Observation:	
Description of observation: None observed.	Objective evidence observed: N/A
Local law or ETI requirement: N/A	
Comments:  N/A	

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed:  N/A

### Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day and 40 hours per week.	A1: 8 hours per day and 40 hours per week.	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day and 36 hours per month.	B1: 2 hours per day, 18 hours per week and total 76 hours per month.	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB1720 per month/ RMB395.4 per week/RMB79.08 per day/ RMB9.89 per hour since 01 July 2018.	C1: RMB2000 per month/RMB91.95 per day/ RMB459.77 per week/RMB11.49 per hour since 01 October 2018.	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/
D: Overtime wage:	Legal minimum: 150% of normal	D1: 150% of normal wage for weekdays.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No

(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	wage for weekdays. 200% of normal wage for rest days. 300% of normal wage for holidays.	200% of normal wage for rest days. 300% of normal wage for holidays but no overtime on national holidays till now.	N/
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<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>	
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 (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)	No obvious peak season in the factory. Sampled 10 workers to do interview; 12 months' payrolls (October 2018 to September 2019) were provided. 10 samples from September 2019 (the most recent month) 10 samples from April 2019 (the random month) 10 samples from November 2018 (the random month)
C: Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes, please give details: N/A
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A D1: If No, please give details: N/A
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> All workers were paid at hourly rate and the minimum wage paid by the factory was RMB2000 per month (equal to RMB11.49 per hour) since 01 October 2018.
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: __100__% of workforce earning above minimum wage
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>  No bonus scheme found.

<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance and income tax.</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Social insurance fee.  Please describe: Social insurance fee of worker's part would be deducted if occurred.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Personal income tax.  Please describe: Personal income tax was assumed by the audited factory.</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: All attendance records reflected working time.</p>		
<p>M: Is there a defined living wage: <i>This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>M1: Please specify amount/time: There is no a defined living wage in China.</p>		
<p>M2: If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>N1: Please give details: N/A. No periodic reviews of wages.</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: Known from payroll records review and worker interview, equal basic wage was 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:

Through employees' interview, overtime is voluntary.

Electronic attendance records from 01 October 2018 to audit day were provided.

There was one shift for the employees during 8:00~12:00 and 13:30~17:30. The normal weekday in the factory is 40 hours per week and 8 hours per day.

Workers had at least one day off per seven and rest day always on Sunday.

The factory paid 150% of normal wage for weekdays and 200% of normal wage for rest days. No overtime on national holidays.

As per the provided attendance records and management testimony, no obvious peak season for the factory in the past one year.

The factory provided the attendance records from October 2018 to the audit date for review, and auditor had randomly selected 10 employees from Nov. 2018 (random month), April. 2019 (random month) and Sept. 2019 (most completed month) as samples respectively from production Dept.

(cutting/gluing/sewing/stamping/assembly/packing/inspection sections). 10 out of 10 employees' monthly overtime exceed 36 hours with 76 hours at maximum in Nov. 2018/66 hours at maximum in Apr.

2019/62 hours at maximum in Sept. 2019. The maximum daily overtime was 2 hours per day on weekdays and maximum weekly working hours was 58 hours.

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

Details:

Employee interview.

Management interview.

Local and national laws.

Factory policy on working hours.

Computerised time logging system.

Workers contracts.

Attendance records from 01 October 2018 to audit day.

12 months' payroll records from October 2018 to September 2019.

Leave application records.

Employee manual.

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

As per the provided attendance records and management testimony, no obvious peak season for the factory in the past one year. The factory provided the attendance records from October 2018 to the audit date for review, and auditor had randomly selected 10 employees from Nov. 2018 (random month), April. 2019 (random month) and Sept. 2019 (most completed month) as samples respectively from production Dept. (cutting/ gluing/sewing/stamping/ assembly/packing/ inspection sections). It was noted that 10 out of 10 employees' monthly overtime exceed 36 hours with 76 hours at maximum in Nov. 2018, 10 out of 10 employees' monthly overtime exceeded 36 hours with 66 hours at maximum in Apr. 2019, 10 out of 10 employees' monthly overtime exceeded 36 hours with 62 hours at maximum in Sept. 2019. The maximum daily overtime was 2 hours per day on weekdays and maximum weekly working hours was 58 hours.

Local law and/or ETI requirement:

Local law: In accordance with China Labour Law, Article 41, The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Objective evidence observed:  
(where relevant please add photo numbers)

1. Document review.

<p>ETI requirement: 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>Recommended corrective action: It is recommended that overtime hours should not exceed 36 hours per month.</p> <p>Action by: Mr. He Dong / Administrative Manager, Time frame: 60 days, Verification method: Follow up</p>	
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Observation:	
<p>Description of observation: None observed. Local law or ETI requirement: N/A. Comments: N/A.</p>	<p>Objective evidence observed: N/A.</p>

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

Working hours' analysis <i>Please include time e.g. hour/week/month</i> <a href="#">(Go back to Key information)</a>		
<b>Systems &amp; Processes</b>		
<p>A. What timekeeping systems are used: time card etc.</p>	<p><i>Describe: Electronic attendance records</i></p>	
<p>B: Is sample size same as in wages section?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details</p>	
<p>C: Are standard/contracted working hours defined in</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p><i>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.</i></p>



all contracts/employment agreements?		Please give details: N/A			
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:			
		N/A			
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: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <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 per week in September 2019 (the most current month) 6 days per week in April 2019 (the random month) 6 days per week in November 2018 (the random month)			
<b>Standard/Contracted Hours worked</b>					
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:			
		N/A.			
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:			
		N/A.			
<b>Overtime Hours worked</b>					
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/day, 18 hours/week and 62 hours/month in September 2019 (the most current month) 2 hours/day, 18 hours/week and 66 hours/month in April 2019 (the random month)				

	2 hours/day, 18 hours/week and 76 hours/month in November 2019 (the random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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	<i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:          Leave application records, worker interview, employee manual, labour contract and procedure for overtime voluntary.</i>
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A - there is no legal requirement to OT premium	<i>M1: Please give details of normal day overtime premium as a % of <u>standard</u> wages:          The factory paid 150% of normal wage for weekdays, 200% of normal wage for rest days. No overtime happened on national holidays.</i>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>N1: If yes, please describe % of workers &amp; frequency:          100% &amp; monthly.</i>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A.	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A.	
P: If more than 60 total hours per week and this	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week	

<p>is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p> <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances  <input type="checkbox"/> Other reasons (please specify)                      N/A. No more than 60 total hours per week was found.                 </p> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>N/A</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      Q1: If yes, please give details:                      Known from management interview, some orders are placed regularly by their clients in each month, so workers need to conduct overtime hours in each month.                 </p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                 </p>

**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:

As informed by interviewed workers, most employees spoke highly of the factory owner.  
 No worker was required to do the examination of the hepatitis B virus and HIV.  
 Training of anti-discrimination 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 was provided to workers.  
 Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.  
 There was an internal grievance process; all interviewees were aware of the grievance channels in case they encountered any discrimination cases.  
 There was no evidence of sexual harassment.

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

Details:

- Anti-discrimination procedure.
- Grievance procedure.
- The procedure of hiring and termination, leave application records and employee handbook.
- Payroll records.
- Attendance records.
- Termination records.
- Training records.

Any other comments: Nil.

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: <u>  60  </u> %                  A2: Female <u>  40  </u> %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>No such women in the factory.</p>

<p>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?:</p>	<p> <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> <p>C1: Please give details:</p>
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Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>Working position skill training, machine safety training, chemical safety management and usage training, fire safety training and PPE training, 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:            N/A.</p> <p>Recommended corrective action:            N/A.</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i>            N/A.</p>

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

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

**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:

Verified through document review and worker interview, all interviewees were 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.

All workers were permanent, no part time, or temporary workers were found in the factory.

Verified through document review, management and worker interview, no sub-contracting or homeworking workers were used in the factory.

All employees were recruited by the factory directly. No labour agency was used to hire workers.

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

Details:

The hiring and termination procedure.

Personal files.

Labour contracts.

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:                      N/A.</p> <p>Recommended corrective action:                      N/A.</p>	<p>Objective evidence observed:                      (where relevant please add photo numbers)                      N/A.</p>

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

Good Examples observed:	
<p>Description of Good Example (GE):                      None observed.</p>	<p>Objective Evidence Observed:                      N/A.</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 &amp; 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: N/A</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:
D: If any checked, give details:	N/A

<b>Migrant Workers:</b> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All types of work in the factory include migrant workers.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0  B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A. No such deductions.
D: Are Any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  D1: If yes, number and example of roles: Total 47 migrant workers in the factory, 8 migrant workers were in management positions and 39 in operator position.

### NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A.
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:
C: If any checked, give details:	N/A.

<b>Agency Workers (if applicable)</b> <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: N/A.
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A.
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A.
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

**8A: Sub-Contracting and Homeworking**

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

Current systems:

Via workers/management interview, no sub-contracting or homeworking workers were used in the factory.

A site tour showed that all production processes were present in the factory.

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

Purchasing order, production records, inspection records and goods in/out records were checked, no sub-contracting, homeworking or external processing was found used by the factory.

Site tour (Calculation on total production and estimated capacity)

Management interview.

Worker interview.

Details: Nil.

Non-compliance:

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

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

E: What checks are in place to ensure no child labour is being used and work is safe?	
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Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes, summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

<p><b>9: No Harsh or Inhumane Treatment is Allowed</b>  <a href="#">(Click here to return to summary of findings)</a></p>
<p>ETI</p> <p>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.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details: Hotline.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Hotline poster was posted in the workshops, verified through workers interview, they were clearly aware of this.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input checked="" type="checkbox"/> Communities  <input checked="" type="checkbox"/> Suppliers  <input type="checkbox"/> Other</p> <p>D1: Please give details: For workers, they could report to management, worker representative or through suggestion box. For communities and suppliers, they could report to factory's management directly or through hotline.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <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>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>G1: If no, please explain</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <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>I1: If yes, please give details</p>

<p><b>Current Systems and Evidence Examined</b></p> <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:          According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which includes oral warning, written warning, minor mistake record, major mistake record and termination, and the site had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.          As per management interview, document review and workers interview, there was a policy on prevention of harassment and abuse, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were forbidden.          There is an internal channel for grievance: through suggestion box, report any grievances (harassment, bullying, discrimination etc.) to management or workers representatives directly; any received complaint will be handled by management, without any reprisal for the worker in question. Worker interview confirmed that workers were aware of this.</p> <p>Evidence examined – to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:          The relevant policy on prevention of harassment and abuse.          Internal grievance procedure documentation.          Training records.</p> <p>Any other comments: Nil.</p>

Non-compliance:



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

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

**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:**

Per document review, factory management representation and worker interview, all workers in the factory were Chinese, the number of local employees is 13 and the number of migrant employees is 47 (mainly come from Guangxi Province, Hunan Province, Yunnan Province, Chongqing, Sichuan Province and Jiangxi Province). All workers had the proper legal rights to work in this region. The youngest age was 19 years old. All of them were recruited directly by the factory and no agency was involved in the factory's recruitment processes.

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

**Details:**

Hiring procedure.  
 Personnel files.  
 Employee 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:  
 N/A.

Recommended corrective action:  
 N/A.

Objective evidence observed:  
 (where relevant please add photo numbers)  
 N/A.

**Observation:**

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

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

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

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

**B.4. Compliance Requirements**

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The facility provided the SAQ for review onsite.

One senior manager (Mr. He Dong / Administrative Manager) was responsible for continuous improvements in their environmental performance.

The factory had established environmental management system and continuously improved the environmental management system through annual internal audit and management review.

The factory was aware of the significant environmental impact of their site and its processes.

The legally required such as environmental impact assessment document (environmental impact assessment report form), approval of environmental impact assessment document, environmental protection acceptance checks report for completed construction project were provided for review.

Environmental monitoring report was provided for review.

The factory measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. electricity use and water use.

An environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.  
 Significant pollutant activities were identified annually and energy consumption was tracked.  
 Based on employees' interview, they were trained on environmental protection.  
 Waste was treated as per local legal requirements and treatment records were provided for review.  
 During factory tour, the environment in the factory was found in acceptable condition and met the requirement of local and national laws related to environmental standards.  
 The factory was not subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.  
 The factory representative claimed that there were no any client's specific environmental requirements received till now.  
 One management and one worker were selected for interview, they were clearly known the basic legal environmental requirements and the environmental policies of factory.

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

Details:

SAQ.

Environmental policy and procedures.

Environmental laws and regulations.

Worker and management interview.

environmental impact assessment report form and approval.

Environmental protection acceptance checks report for completed construction project.

Environmental monitoring report.

Energy consumption tracking records.

Factory tour.

Waste treatment records

Training records.

Any other comments: Nil.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local

NC against customer code:

None observed

Objective evidence observed:  
 (where relevant please add photo numbers)  
 N/A.

Local law and/or ETI/Additional Elements requirement:

N/A.

Recommended corrective action:

N/A.

Observation:

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

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. He Dong / Administrative Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: A risk assessment was conducted to assess the environmental impact.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: There was no a recognised environmental system certification such as ISO 14000 or equivalent in the factory.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The environmental policy was posted on the notice-board.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The environmental policy expressed the key impacts from the facility's operations and the commitment to keep improvement.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No sustainability system was available.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Environmental impact assessment document (environmental impact assessment report form), approval of environmental impact assessment document, environmental protection acceptance checks report for completed construction project.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Chemicals management procedure was established.
J: Is there a system for managing client's requirements and legislation in the destination	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

countries regarding environmental and chemical issues?	J1: Please give details: The facility had a designated person to monitor client's requirements and legislation.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had reduction targets in place for environmental aspects.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Waste was properly handled and the volume of waste is monitored and recorded.
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Consumption of water and electricity was tracked monthly.
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had checked that all business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the factory.

**Usage/Discharge analysis**

Criteria	Previous year: Please state period: _____2018_____	Current Year: Please state period: <u>2019 (01 January 2019 to audit date)</u>
Electricity Usage: <i>Kw/hrs</i>	563,096 kw/hrs	369,078 kw/hrs
Renewable Energy Usage: <i>Kw/hrs</i>	0	0
Gas Usage: <i>Kw/hrs</i>	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please state result	N/A	N/A
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> <li>· Local water authority.</li> <li>·</li> </ul>	<ul style="list-style-type: none"> <li>· Local water authority.</li> <li>·</li> </ul>
Water Volume Used: <i>(m³)</i>	7,708 m³	5,781 m³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> <li>· Wastewater treatment plant</li> </ul>	<ul style="list-style-type: none"> <li>· Wastewater treatment plant</li> </ul>



	.	
Water Volume Discharged: (m <sup>3</sup> )	7,708 m <sup>3</sup>	5,781 m <sup>3</sup>
Water Volume Recycled: (m <sup>3</sup> )	0	0
Total waste Produced (please state units)	Domestic wastewater: 7,708 m <sup>3</sup>	Domestic wastewater: 5,781 m <sup>3</sup>
Total hazardous waste Produced: (please state units)	Domestic wastewater: 7,708 m <sup>3</sup> Hazardous waste: 80 kg	Domestic wastewater: 5,781 m <sup>3</sup> Hazardous waste: 80 kg
Waste to Recycling: (please state units)	0	0
Waste to Landfill: (please state units)	0	0
Waste to other: (please give details and state units)	Domestic wastewater was discharged into municipal pipe network directly: 7,708 m <sup>3</sup> Hazardous waste transferred and handled: 80 kg	Domestic wastewater was discharged into municipal pipe network directly: 5,781 m <sup>3</sup> Hazardous waste transferred and handled: 80 kg
Total Product Produced (please state units)	Leather wire box, Leather Jewellery box, Leather cosmetic box, Leather basket. (800,000 pieces)	Leather wire box, Leather Jewellery box, Leather cosmetic box, Leather basket. (620,000 pieces)

**10C: Business Ethics – 4-Pillar Audit**

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The facility provided the SAQ for review onsite.

One senior manager (Mr. He Dong / Administrative Manager) was designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

The company established a business ethics policy which was communicated to employees through posters and training, and this business ethics policy was communicated to their suppliers.

The site had received and read the Business Ethics policy of the auditor/audit company.

There is an internal grievance process, which includes an anonymous reporting channel.

No any fines/prosecutions for non-compliance to Business Ethics regulations were found in the factory.

Based on management interview, the facility was familiar with national regulations/laws concerning business integrity standards.

Risk assessment was conducted on Business Ethics.

The provided training records showed the staff whose job roles carry a higher level of risk in the area of ethical Business Practice such as sales and purchasing are trained on what action to take in the event of an issue arising in their area.

One management and one worker were selected for interview, they were trained on Business Ethics and clearly known the Business Ethics policies of factory.

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

Details:

SAQ

Business ethics policy and procedure.

Management and employees' interview.

Business ethics training records.

Risk assessment on business ethics

Any other comments: Nil.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local

NC against customer code:

None observed

Local law and/or ETI/Additional Elements requirement:

N/A.

Recommended corrective action:

N/A.

Objective evidence observed:  
(where relevant please add photo numbers)  
N/A.

Observation

Description of observation:

None observed.

Local law or ETI/Additional elements requirements:

N/A.

Comments:

N/A.

Objective evidence observed:  
N/A.

Good examples observed:

<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A.</p>
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<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy  <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The factory established the business ethics policy which applied internally and externally and was communicated with concerned parties.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details: The training records showed the factory had given training to relevant personnel (e.g. sales and purchaser) on business ethics issues.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details: The policy would be updated as needed regularly.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>D1: Please give details: The factory did not have such requirement.</p>

Other findings

Other Findings Outside the Scope of the Code
None observed.

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
None observed.

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## 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

Best Practice Photos:













N/A.	N/A.	N/A.

Non-compliance Photos:

		
1. Gluing worker didn't wear provided goggles while working.	2. Workers who contacted chemical didn't wear masks correctly while working.	3. No secure personal storage was provided in dormitory.

General Site Tour Photos:

		
1. Factory entrance.	2. Factory production building.	3. Factory's address.

		
<p>4. Material warehouse.</p>	<p>5. Cutting.</p>	<p>6. Gluing.</p>
		
<p>7. Sewing.</p>	<p>8. Stamping.</p>	<p>9. Assembly.</p>
		
<p>10. Assembly and packing.</p>	<p>11. Finished products warehouse.</p>	<p>12. Assembly area.</p>
		



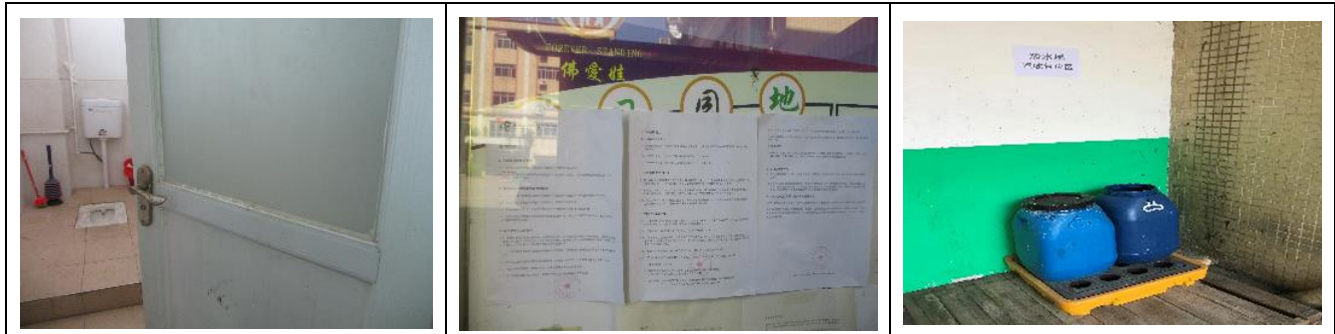
13. Warning sign "No Smoking".	14. Fire alarm and fire hydrant.	15. Personal protective equipment was provided to worker.
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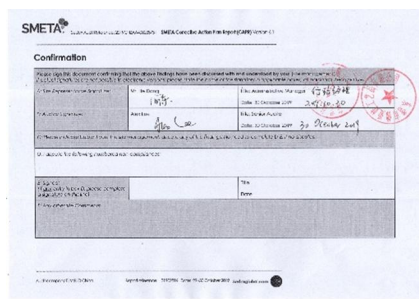
16. Fire extinguishers.	17. Exit sign and emergency light.	18. MSDS were posted.
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19. First aid box.	20. Drinking water.	21. Suggestion box.
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22. Clean toilet.	23. Posted ETI Code.	24. Waste storage area.
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<p>25. Canteen.</p>	<p>26. Dormitory room.</p>	<p>27. Fire alarm, fire extinguishers, fire hydrant in dormitory building.</p>
		
<p>28. Corrective action plan was signed by factory representative and auditor.</p>	<p>29. N/A</p>	<p>30. N/A</p>



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

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

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[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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