




Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: ZC407111818	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: ZS407137398
Business name (Company name):	Dongguan Grinvald Shoes Co., Ltd.		
Site name:	Dongguan Grinvald Shoes Co., Ltd.		
Site address: <i>(Please include full address)</i>	401, Building #3, No 4 of Guangming New Village, 2 Road, Dongcheng, Dongguan City, Guangdong Province, China	Country:	China
Site contact and job title:	Ms. Chen Yingmei / HR Supervisor		
Site phone:	86-769-23326470	Site e-mail:	may-gts@hotmail.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	26 th June 2019		

Audit Company Name & Logo: 	Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Dongguan Grinvald Shoes Co., Ltd.
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Audit Conducted By					
Commercial	<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 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

Nil

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

Lead auditor:

Fiona Li / RA21700387

Team auditor:

Nil

Interviewers:

Fiona Li

Report writer:

Fiona Li

Report reviewer:

Winne Tao

Audit Company Report Reference:

A4775356

Date of declaration:

26th June 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.

Non-Compliance Table

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> None observed.
0B Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	<ul style="list-style-type: none"> No safety label for hazardous chemical. Safety facilities for hazardous chemicals were not compliant with legal requirement. Machines without protective devices.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Insufficient social insurance participated.

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Overtime hours exceeded the legal requirement.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed.
10B2	<u>Environment 2-Pillar</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3	0	0	<ul style="list-style-type: none"> No Environmental Impact Assessment (EIA) for construction project. No Environmental Impact Assessment (EIA) approval / registration for construction project. No environmental protection acceptance checks report for completed construction project.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> N/A
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> N/A
General observations and summary of the site:									
<ul style="list-style-type: none"> The products manufactured at this site were shoes. Overall responsibility for meeting the standards was taken by Ms. Chen Yingmei / HR Supervisor. 									

- There were 14 employees (8 female and 6 male) in the facility, including 7 production employees and 7 non-production employees. 10 out of 14 employees were migrant employees in the facility, and the migrant employees were from other provinces of China such as Sichuan, Hunan, etc.
- The youngest employee on site was 24 years old.
- There was an employee committee in the facility and the worker representative was present during the audit.
- There was no union in the facility.
- There was evidence of both male and female in management. The distribution was male 70%, female 30%.
- There was no obvious peak season in the facility per information from management.
- No sub-contractor was used by the facility.
- 10 employees were randomly selected for interview including 4 male employees and 6 female employees, and they were interviewed as 1 group of 4 employees and the balance of 6 employees were interviewed individually.
- Payrolls for the period from June 2018 to May 2019 and attendance records for the period from 1st June 2018 to 26th June 2019 (the audit day) were provided for review. Randomly sampled 10 employees' payrolls and attendance records from May 2019 (current month), December 2018 (random month) and October 2018 (random month) respectively for further checking on status of wages and working hours.
- Based on the provided attendance records, the standard working hours in this facility were 8 hours per day, 40 hours per week.
- Based on the provided payroll records, the facility paid 150% of the normal wages for the extension of normal working hours, 200% of the normal wages for the working hours on rest days, and no work on holidays were reported.
- Only based on the provided attendance records, the status of overtime hours in sample was as below:
 - 32-68 hours / month in May 2019 (current month)
 - 40-75 hours / month in December 2018 (random month)
 - 32-63 hours / month in October 2018 (random month)

Issues Found

NCs

3.

- **No safety label for hazardous chemical.** During facility tour, auditor found that there was no label for chemical (such as glues) using at assembly workshop at production building.
- **Safety facilities for hazardous chemicals were not compliant with legal requirement.** During facility tour, auditor found that chemicals such as glues used in the assembly workshop, but there was no secondary containment.
- **Machines without protective devices.** During facility tour, auditor found that no safety guard was installed for rolling part of 2 out of 3 sewing machines in production Building.

5.

- **Insufficient social insurance participated.** Through document review (social insurance receipts of June 2019), auditor found that only 8 out of 14 employees had participated in basic endowment insurance, unemployment insurance, maternity insurance, medical insurance and employment injury insurance.

6.

- **Overtime hours exceeded the legal requirement.** Through document review, auditor found that the monthly overtime hours of 8 out of 10 randomly selected employees were 64-68 hours in May 2019 (current month); the monthly overtime hours of 10 out of 10 randomly selected employees were 40-75 hours in December 2018 (random month); and the monthly overtime hours of 8 out of 10 randomly selected employees were 58-63 hours in October 2018 (random month).

10B2

- **No Environmental Impact Assessment (EIA) for construction project.** During facility tour, auditor found that products in the facility are shoes, and the main processes polishing, gluing, assembly and packing, waste gas and hazardous waste generated from manufacturing would cause influence on the environment. EIA document shall be compiled for assessing detailed environmental impacts and relevant protective measures. However, the facility could not provide EIA document for review.
- **No Environmental Impact Assessment (EIA) approval / registration for construction project.** During document review, the facility could not provide the EIA approval / registration for construction project for review.
- **No environmental protection acceptance checks report for completed construction project.** During facility tour, auditor found that products in the facility are shoes, and the main processes polishing, gluing, assembly and packing, waste gas and hazardous waste generated from manufacturing would cause influence on the environment. However, during document review, the facility could not provide the environmental protection acceptance check approval for their construction project for review.

Observation

None observed

GE

None observed

**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:	Dongguan Grinvald Shoes Co., Ltd.							
B: Site name:	Dongguan Grinvald Shoes Co., Ltd.							
C: GPS location: (if available)	GPS Address: 401, Building #3, No 4 of Guangming New Village, 2 Road, Dongcheng, Dongguan City, Guangdong Province, China	Latitude: Not provided Longitude: Not provided						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No.: 91441900MA5199MT80 Valid Date: 18 th January 2018 to long term							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc.	Shoes							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Dongguan Grinvald Shoes Co., Ltd. was located at 401, Building #3, No 4 of Guangming New Village, 2 Road, Dongcheng, Dongguan City, Guangdong Province, China. The total land area occupied by the facility was about 1300 square meters. They had been in their operation at the existing location since 2018.</p> <p>There were 14 employees (8 female and 6 male) in the facility, including 7 production employees and 7 non-production employees. 10 out of 14 employees were migrant employees in the facility, and the migrant employees were from other provinces of China such as Sichuan, Hunan, etc.</p> <p>All employees worked for 5 days a week in 1 shift. The normal working hour was from 08:30 to 12:00, and 13:30 to 18:00. Facial ID attendance system was used for time keeping for employees. Every employee would scan their faces when they went in and out of the workshop. Employees were calculated on an hourly rated basis and paid monthly by cash. There was no obvious peak season in the facility reported by the management.</p> <p>In view of the facilities, the facility used the 4/F of one 4-storey building as production workshop, warehouse and office, and no dormitory, kitchen or canteen was for employees.</p> <table border="1" data-bbox="655 1890 1485 1962"> <thead> <tr> <th>Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Production Building	Description	Remark, if any			
Production Building	Description	Remark, if any						

	Floor 1	Another facility named Dongguan Jingguo Electronic Machinery Co., Ltd.	Year of establishment: 2003.
	Floor 2	Another facility named Dongguan Dongling Electronic Tech. Co., Ltd.	
	Floor 3	Another facility named Dongguan Huifang Car Accessories Co., Ltd.	
	Floor 4	Facility production workshop (polishing, gluing, assembly and packing), warehouse and office	
	Is this a shared building?	Yes	The audited facility only occupied the 4/F of the 4-storey production building, and other floors belonged to other 3 facilities.
<p>Remark: There were other 3 facilities in the same building, the first one named Dongguan Jingguo Electronic Machinery Co., Ltd. was located at 1/F of the 4-storey building, and its products were electronic machines. The second one named Dongguan Dongling Electronic Tech. Co., Ltd. was located at 2/F of the 4-storey building, and its products were electronic products. The third one named Dongguan Huifang Car Accessories Co., Ltd. was located at 3/F of the 4-storey building, and its products were car accessories. The audited facility occupied the 4/F of the 4-storey building. These four facilities (including the audited facility) had their own management system, and through employee interview, no comingling was found.</p> <p>Visible structural integrity issues (large cracks) observed?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No Please give details: N/A</p> <p>Does the site have a structural engineer evaluation?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No Please give details: The facility provided the construction completion certificates of building for review.</p>			

<p>G: Site function:</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>H: Month(s) of peak season: (if applicable)</p>	<p>There was no obvious peak season in the facility reported by the management.</p>
<p>I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p>	<p>The main products manufactured by the facility were shoes</p> <p>The main production processes were listed as follows: Polishing, gluing, assembly and packing</p> <p>The main machine list of the facility was as following: Polishing machine: 2 sets, sewing machine: 3 sets, gluing machine: 2 sets, assembly lines: 2 lines, etc.</p>
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
<p>K: Is there any night production work at the site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation No dormitory was provided for employees.
<p>M: Are there any off site provided worker accommodation buildings</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers No dormitory was provided for employees.
<p>N: Were all site provided accommodation buildings included in this audit</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No If No, please give details N/A

Audit Parameters			
A: Time in and time out	Day 1 Time in: 8:30 Day 1 Time out: 16:30	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1 manday		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not The facility did not provide it for review.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A The facility did not provide it.		
G: Who signed and agreed CAPR (Name and job title)	Ms. Chen Yingmei / HR Supervisor		
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 This was an initial audit.		
J: Previous audit type:	N/A This was an initial audit.		
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. There was one worker representative was present during the audit.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	N/A. There was no union in the audit.		

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 and where they do not intend to remain permanently 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	1	0	0	5	0	0	0	6
Worker numbers – female	3	0	0	5	0	0	0	8
Total	4	0	0	10	0	0	0	14
Number of Workers interviewed – male	0	0	0	4	0	0	0	4
Number of Workers interviewed – female	3	0	0	3	0	0	0	6
Total – interviewed sample size	3	0	0	7	0	0	0	10

A: Nationality of Management	Chinese
B: Nationality of workers <i>Please add more rows as applicable</i>	Countries: Country 1: <u>China</u> Country 2: <u>N/A</u> Country 3: <u>N/A</u>
C: For the majority nationality of workers:	Nationality 1 approx % total workforce <u>100%</u> Nationality 2 approx % total workforce <u>N/A</u> Nationality 3 approx % total workforce <u>N/A</u>
D: Worker remuneration (management information)	<u>0</u> % workers on piece rate <u>100</u> % hourly paid workers <u>0</u> % salaried workers Payment cycle: <u>0</u> % daily paid <u>0</u> % weekly paid

	___100___% monthly paid ___0___% other If other, please give details: N/A
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Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group in 4 employees (0 male and 4 female)
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 4 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?	No complaint was reported by interviewees.
I: What did the workers like the most about working at this site?	Wages were always paid on time.
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	Through employees' interview it was confirmed that overtime was voluntary.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, please give details: N/A</i>	
M: Attitude of workers: <i>(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</i>	

10 employees were randomly selected for interview including 4 male and 6 female employees. They were interviewed as 1 group of 4 employees and the balance of 6 employees were interviewed individually. The employees were assured of confidentiality and they spoke freely of their views of the facility.

Through employees' interviews, it was noted that all employees were satisfied with the facility and no negative information was raised. They felt free to leave this employer. They were able to make suggestions to their supervisors and team leaders. They were able to complain directly to management staffs but also felt free to give their concerns to the suggestion box.

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

A worker committee was established in the facility. Interviews with one worker representative suggested that managers always acted on requests. And the worker representative was satisfied with the working conditions, and they stated that they could give suggestions on all parts of the site's practices through periodic meeting.

O: Attitude of managers:

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

The facility management gave the full access to all necessary areas for tour, and a private room was arranged for employees' interview. At the closing meeting of the audit, all findings were accepted by the facility management.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. This facility had established a policy which cover the human rights impacts and issues and this policy had been communicated to all appropriate parties.
2. Ms. Chen Yingmei / HR Supervisor was designated to be responsible for implementing standards concerning Human rights.

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

Details:

1. Policy on human rights
2. Internal audit documents
3. Training records
4. Management interview and employee interview.

Any other comments:

None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details (mainly applicable for the parent company): The facility had a policy expressed that the facility would respect the human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Chen Yingmei Job title: HR Supervisor</p>
<p>C: Does the businesses 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 Please give details: The facility did not disclose the reporter's information of and ensure the reporter will not be revenged.</p>
<p>D: Does grievance mechanism meet with UNGP requirement of e.g. (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 If no, please give details: The facility had a grievance mechanism meet with UNGP requirement.</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 Please give details: The facility provided the relevant training of privacy procedures to employees on new employee orientation.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI/Additional elements / customer specific requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>		<p>Objective evidence observed:</p> <p>Not applicable</p>

Good examples observed:

Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable
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Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: __30__ %	This year __30__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	30%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: __0__ %	This year __0__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	0%
E: Are accidents recorded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: According to the document review, management interview and employees' interview, there was no work accident or injury was occurred in the past two year.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year: 2018 Number: 0	This year: 2019 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	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]	Last year: 2018 0	This year: 2019 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months __0__% workers	12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months ___0___% workers	12 months ___0___% workers
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0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Ms. Chen Yingmei / HR Supervisor was responsibility for meeting the legal and the code requirements. She was responsible for ensuring the standards were met.
2. The facility communicated ETI Code to all employees and through their supply chain.
3. The administration department regularly updated the labour law requirements.
4. The facility had supplier evaluation procedure to extend the principles of the ethical code to their suppliers.

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

Details:

1. Social compliance manual
2. Training record
3. Management interview and employees' interview

Any other comments:

None

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

Yes

No

Please describe: No any fines/prosecutions.

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

Yes

No

Please describe: The facility had established a written policy to prohibit forced labour, child labour, discrimination, harassment & abuse.

<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>This policy was communicated to employees via training. Through reviewing documents and employees' interview, they stated that no forced labour or child labour case happened, both female and male employees among management staffs and supervisors.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Through document review, auditor found that the facility had provided training on forced labour, child labour, discrimination, harassment and abuse to all employees through orientation training and annual refresh training.</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 Please describe: Training records including annual refresh training and orientation training were provided to managers and employees. This was also confirmed through management and employee interview.</p>
<p>F; Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: None</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 Please describe: Ms. Chen Yingmei / HR Supervisor was in charge of the recruitment of employees.</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 Please describe: Ms. Chen Yingmei / HR Supervisor</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 Please describe: All employees' personal files were kept in office. And only the authorized employees access to these document.</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 Please describe: All employees' personal files were kept in office. And only the authorized employees access to these document.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	Details: The facility conducted risk assessment regularly to evaluate policy and procedure effectiveness.
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 Details: The facility had a documented procedure and assessments that periodic risk checked regularly. And the facility would take correct action when risk was identified.
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 Details: The facility had a written policy and procedure to evaluate and select suppliers based on their performance and commitment towards labour standards.
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 Details: The construction completion certificates for the buildings were provided.
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 Details: The facility had system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
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 If yes, how does the company obtain FPIC: N/A
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The facility had compensated the owner for the land prior to the facility being built.
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 Details: N/A, no plan of land acquisition
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 Details: There was no evidence of illegal appropriation of land for facility buildings.

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:</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Not applicable</p>

Observation:	
<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had a written policy which prohibited forced labour and this was available for review.
2. There was a non-formalised application procedure which stated that employees must show their I.D. cards for proof of age but that only copies must be kept in the personnel files and the original was kept by the employees themselves.
3. No clause about forced, bonded labour was found in labour contracts.
4. The facility issued wages and compensation directly to employees, no deposit or illegal payment withholding was noted in payroll records.
5. The employees could be free to leave the workplace after their working hours.
6. The employees were employed on a voluntary basis and free to leave the facility or resign.

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

Details:

1. Personnel files
2. Labour contracts
3. Social compliance manual
4. Facility rules
5. Resignation records
6. Leave records
7. Training record
8. Facility tour
9. Employees' interview and management interview

Any other comments:

None

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

- Yes
 No

If Yes please give details and category of workers affected: N/A

B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected: N/A
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: N/A
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there is a published 'modern day slavery statement.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: N/A <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: N/A
H: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: Social compliance requirement was communicated to employees through orientation training and annual refresh training. <input type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: The facility communicated the social compliance requirement all suppliers and monitored their performance regularly.

Non-compliance:	
<p>1. Description of non-compliance:</p> <p> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: </p> <p>None observed</p> <p>Local law and/or ETI requirement</p> <p>Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Not applicable</p>

Recommended corrective action: Not applicable	
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Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There was a worker committee in the facility. Worker representatives were elected out by employees. Employees could raise their concerns through suggestion box, worker representatives and report to their supervisor or above voluntarily.
- 2. There was no union in the facility.
- 3. The facility management would adopt an open attitude towards the activities of worker committee and their organizational activities. And facility did not interfere with employees' right to join legal associations and take part in their activities.

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

Details:

- 1. Freedom of association Policy
- 2. Worker committee periodic meeting records
- 3. Training record
- 4. Facility tour
- 5. Employee interview and management interview

Any other comments:

None

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 Describe: suggest boxes or verbal exchange 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 Details: The worker committee could use meeting rooms freely.	
F: Name of union and union representative, if applicable:	N/A	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?	Worker committee	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	It was confirmed through employee interview.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 7 th November 2018
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	It was confirmed through employee interview.
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One worker representative	
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 latest meeting between union representatives and management was conducted on 9 th May 2019. The topic focused on employees' safety producing and working environment.	
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	___% workers covered by Union CBA	___% workers covered by worker rep CBA

	N/A. No Collective Bargaining Agreement existed in this facility.	N/A. No Collective Bargaining Agreement existed in this facility.
If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement existed in this facility.	

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:</p> <p>None observed</p> <p>Local law and/or ETI requirement:</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Not applicable</p>

Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective Evidence Observed:</p> <p>Not applicable</p>

3: Working Conditions are Safe and Hygienic

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - Ms. Chen Yingmei / HR Supervisor was responsible for Health & Safety in the facility.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Potable water was freely available in all areas and effective test certificate was provided for review.
 - Sufficient toilets to employees and the toilets were segregated by gender were available at all times.
 - The fire license and the construction structural safety evaluation reports for buildings were provided for review.
 - Occupational health examination was provided to all employees engaged in post with occupational disease hazards.
 - Testing result of occupational hazards factors exceeded standard.
 - The training records / certificate of safety production knowledge and management skill for the principal in charge and person for management of work safety was available in the facility.
2. Fire Safety
 - Firefighting equipment was adequate and inspected monthly.
 - The facility posted evacuation plans in all areas and understood by all employees.
 - The facility organized fire drills at least twice per year and records were provided for review.
 - Training had been given to all employees.
 - Fire alarm, fire hydrant and fire extinguishers were installed at each floor of the production building.
 - Lamplit evacuation indication signs were available.
3. Electrical safety
 - All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
 - Valid electrician license was provided for review.
4. Chemical safety
 - MSDS was provided for the chemicals at workshop.

- Eye washing facility was installed at the workplace with toxic or hazardous substances but without enough water pressure.
- Secondary containers were not maintained well for some chemicals used on-site.
- Some chemicals used on-site were without label.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were sufficient first aid personnel in the facility.

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

Details:

1. Health and safety policy
2. Fire equipment inspection records
3. Fire drill records
4. Electrician license
5. Fire certificate
6. Training records
7. Trained first aider certificates
8. Employee interview and management interview
9. Facility tour

Any other comments:

None

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility established health and safety policies and procedures, and the policies and procedures were communicated to employees through training.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The health and safety policies were included in the worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>N/A. No structural addition was found during this audit.</p> <p>Please give details: N/A</p>

<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility would introduce the Health & Safety policy to visitor and provided with personal protective equipment if necessary.</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</p> <p>Please give details: No medical room was provided as no such legal requirement was required.</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</p> <p>Please give details: No doctor or nurse was available on site, but first aiders were available.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, no transportation was provided to employees.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is it fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, no dormitory was provided for employees.</p>
<p>I: Are H&S Risk assessments 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</p> <p>Please give details: The facility conducted H&S risk assessments regularly and the records were provided to review.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Some environmental documents were not provided for review.</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</p> <p><input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, no such chemical was used by this facility.</p>
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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:</p> <p>No safety label for hazardous chemical. During facility tour, auditor found that there was no label for chemical (such as glues) using at assembly workshop at production building.</p> <p>Local law and/or ETI requirement Local law: In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.</p> <p>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.</p> <p>Recommended corrective action: It is recommended that safety labels should be attached for all hazardous chemicals for identification.</p> <p>Action By: Ms. Chen Yingmei / HR Supervisor Recommended completion timescale: 30 days Verification method: Desktop</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Facility tour, please refer to NC Photo 1</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:</p> <p>Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that chemicals such as glues used in the assembly workshop, but there was no secondary containment.</p> <p>Local law and/or ETI requirement Local law: In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Facility tour, please refer to NC Photo 1</p>

<p>exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging , prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.</p> <p>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.</p> <p>Recommended corrective action: It is recommended that the facility should set up the corresponding safety facilities and equipments in workshop or warehouse for hazardous chemicals as per legal requirement.</p> <p>Action By: Ms. Chen Yingmei / HR Supervisor Recommended completion timescale: 30 days Verification method: Desktop</p>	
<p>3. 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:</p> <p>Machines without protective devices. During facility tour, auditor found that no safety guard was installed for rolling part of 2 out of 3 sewing machines in production Building.</p> <p>Local law and/or ETI requirement Local law: In accordance with Law of the PRC on Work Safety article 33, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.</p> <p>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.</p> <p>Recommended corrective action: It is recommended that safety devices should be equipped to sewing machines to comply with the law.</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Facility tour, please refer to NC Photo 2</p>

<p>Action By: Ms. Chen Yingmei / HR Supervisor Recommended completion timescale: 30 days Verification method: Desktop</p>	
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

4: Child Labour Shall Not Be Used

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The facility had established policy/procedure on prohibition of child labour.
- 2. Once employees joined the facility, their original ID's were copied and given back to them whilst copies only were kept in their personnel file.
- 3. No child labour or young labour was hired in the past. Checks of all employees' files showed that the youngest employee at present was 24 years old.

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

Details:

- 1. Recruitment policy/procedure
- 2. Personnel files
- 3. Latest employee roster
- 4. Employees' interview and management interview
- 5. Facility tour

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	24 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. All employees were above 18 years old. If yes, please give details: N/A

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: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All employees were provided with the 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 were paid.
2. The local minimum wage standard was set at RMB 1510 per month equivalent to RMB 8.68 (1510/21.75/8) per hour before 1st July 2018 and RMB 1720 per month as equivalent to RMB 9.89 (1720/21.75/8) per hour since 1st July 2018. Based on the payroll records provided by the facility, RMB 2000 per month was paid for employees by the facility.
3. Based on the provided payroll records, the facility paid 150% of the normal wages for the extension of normal working hours, 200% of the normal wages for the working hours on rest days, and no work on holidays were reported.
4. Insufficient social insurance was provided for all employees.
5. Annual leave and maternity leave were provided to employees as per legal requirements.
6. All employees were paid on or before the 25th day of each month by cash, and each employee was given a pay slip and signed for their wages.

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

Details:

1. Wages and benefits policy
2. Local legal minimum wage standard documents
3. Social insurance payment invoices
4. Labour contracts
5. Leave records
6. Resignation records
7. Employees' interview
8. Payroll records from June 2018 to May 2019 and attendance records from 1st June 2018 to 26th June 2019 (the audit day) were reviewed.
9. Training records
10. Employee interview and management interview

11.Facility tour

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Insufficient social insurance participated. Through document review (social insurance receipts of June 2019), auditor found that only 8 out of 14 employees had participated in basic endowment insurance, unemployment insurance, maternity insurance, medical insurance and employment injury insurance.

Local law and/or ETI requirement:

Local law: In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

ETI 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 facility should train the employees on the benefits of participating in social insurance and persuade them to participate in social insurance.

Action By: Ms. Chen Yingmei / HR Supervisor
Recommended completion timescale: 120 days
Verification method: Desktop

Objective evidence observed:

Document review, management interview and employee interview

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	8 hours per day and 40 hours per week	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: Not exceed 3 hours per day and 36 hours per month	Daily overtime hours: 0-3 hours in May 2019 (current month); 0-3 hours in December 2018 (random month); 0-3 hours in October 2018 (random month)	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.

		<p>Weekly overtime hours: 8-18 hours in May 2019 (current month); 8-18 hours in December 2018 (random month); 8-18 hours in October 2018 (random month)</p> <p>Monthly overtime hours: 32-68 hours in May 2019 (current month); 40-75 hours in December 2018 (random month); 32-63 hours in October 2018 (random month)</p>	
<p>C: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: The local minimum wage standard was set at RMB 1510 per month equivalent to RMB 8.68 (1510 /21.75/8) per hour before 1st July 2018 and RMB 1720 per month equivalent to RMB 9.89 (1720 /21.75/8) per hour since 1st July 2018.</p>	<p>RMB 2000 per month</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.</p>
<p>D: overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: The employing unit shall, according to the following standards, pay</p>	<p>Based on the payroll records provided by the facility, overtime wage was paid:</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining</p>

	<p>labourers remuneration higher than those for normal working hours under any of the following circumstances:</p> <p>1) to pay no less than 150% of the normal wages if the extension of working hours is arranged;</p> <p>2) to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken;</p> <p>3) To pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.</p>	<p>1) 150% of the normal wages if the extended hours are arranged on weekdays;</p> <p>2) 200% of the normal wages for work on days of rest days;</p> <p>3) no work on holidays were reported.</p>	<p>Agreement in the facility.</p>
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Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If No , why not?	N/A
B: Sample Size Checked	10 samples in May 2019 (current month) 10 samples in December 2018 (random month)

<p>(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)</p>	<p>10 samples in October 2018 (random month)</p>		
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>If Yes, please give details: N/A</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>If No, please give details: N/A</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 2000 per month</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>Above the legal minimum wage</p>	<p>___% of workforce earning under min wage ___% of workforce earning min wage __100__% of workforce earning above min wage</p>	
<p>F: Bonus scheme found: Please specify details:</p>	<p>Bonus Scheme found: RMB 500 <i>Note: full time employees and please state hour / week / month etc.</i> Performance bonus RMB 500 was for every production employee.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance and personal tax</p>		
<p>I: Have these deductions been made? Please list all deductions that have/have not been made.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Please list all deductions that have been made.</p>	<p>1. RMB 276 2. Please describe: Personal part for social insurance</p>
		<p>Please list all deductions that have not been made.</p>	<p>1. None 2. Please describe: N/A</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	<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>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No incomplete or inconsistent record was noted.</p>
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time: N/A</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility conducted assessment at least once per year. Based on the provided payroll records, RMB 2000 per month was paid by the facility was above the local minimum wage requirement.</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 Please give details: Through facility rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other, please explain: N/A</p>

6: Working Hours are not Excessive

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Overtime was voluntary through employees' interview.
2. Facial ID attendance system was used for time keeping of employees.
3. The normal working hours were 8 hours per day and 40 hours per week.
4. There was no obvious peak season in the facility per the management.
5. According to provided attendance records, the maximum overtime hours were 75 hours a month and 3 hours a day, and the maximum weekly working hours were 58 hours a week. The employees had one day off per week.
6. Through management interview, the excessive monthly overtime hours were due to lack of employees.

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

Details:

1. Working hours policy/procedure
2. Employees contracts
3. Attendance records from 1st June 2018 to 26th June 2019 (the audit day)
4. Production records (such as Daily output records, Inspection records and Material delivery records)
5. Training records
6. Employees' interview and management interview
7. Facility tour

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 8 out of 10 randomly selected employees were 64-68 hours in May 2019 (current month); the monthly overtime hours of 10 out of 10 randomly selected employees were 40-75 hours in December 2018 (random month); and the monthly overtime hours of 8 out of 10 randomly selected employees were 58-63 hours in October 2018 (random month).

Local law and/or ETI requirement:

Local law: In accordance with the PRC 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.

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

Recommended corrective action:

It is recommended that the facility should reduce the overtime hours to comply with the law.

Action By: Ms. Chen Yingmei / HR Supervisor
Recommended completion timescale: 60 days
Verification method: Follow Up

Objective evidence observed:

Attendance records review, management interview and employee interview

Observation:

<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>
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Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective Evidence Observed:</p> <p>Not applicable</p>

Working hours' analysis <i>Please include time e.g. hour/week/month</i> (Go back to Key information)

Systems & Processes

A. What timekeeping systems are used: time card etc.	<i>Describe: Facial ID attendance system</i>		
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If no, please give details: N/A</i>		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</i>	
D: Are there any other types of contracts/employment agreements used?	<i>If YES, please complete as appropriate:</i>		
	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs
	<input type="checkbox"/> Other		
	<i>If "Other", Please define:</i>		
N/A			

<p>E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, please detail hours, %, types of workers affected and frequency</i></p> <p>Please give details: N/A</p>
<p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?</p>	<p>Please select all applicable:</p> <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No <p>If 'No', please explain:</p>	<p>Is this allowed by local law?</p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p><i>Maximum number of days worked without a day off (in sample):</i></p>	
	<p>All selected sampled employees' maximum worked consecutively 6 days in the sampled months.</p>	
<p>Standard/Contracted Hours worked</p>		
<p>G: Were standard working hours over 48 hours per week found?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p><i>If yes, % of workers & frequency:</i></p> <p>N/A</p>
<p>H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p><i>If yes, please give details:</i></p>
<p>Overtime Hours worked</p>		
<p>I: Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours:</p>	<p>Highest daily overtime hours: 3 hours in May 2019 (current month); 3 hours in December 2018 (random month); 3 hours in October 2018 (random month)</p> <p>Highest weekly overtime hours: 18 hours in May 2019 (current month); 18 hours in December 2018 (random month); 18 hours in October 2018 (random month)</p> <p>Highest monthly overtime hours: 68 hours in May 2019 (current month); 75 hours in December 2018 (random month); 63 hours in October 2018 (random month)</p>

<p>J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>___70___%</p>	
<p>L: Is overtime voluntary?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p><i>Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i></p> <p>Through employees' interview, all randomly selected employees stated that they worked overtime on their wills. And they could refuse to work overtime if they did not want to. Through document review, it was noted that the facility did not use monetary penalties as disciplinary means.</p>
<p>Overtime Premiums</p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p><i>Please give details of normal day overtime premium as a % of standard wages:</i></p> <p>The facility paid 150% of the normal wages for the extension of working hours on weekdays.</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If yes, please describe % of workers & frequency:</i></p> <p>100% employees were paid legal premium rate monthly.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<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	
	<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>	
	<p>N/A</p>	
<p>P: If more than 60 total hours per week</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week	

<p>and this 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. The total working hours per week were within 60 hours. </p> <p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>N/A. The total working hours per week were within 60 hours.</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 If yes, please give details: Overtime hours exceeded the legal requirement. </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 type="checkbox"/> No N/A. There was no such circumstance through management interview. </p>

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. A written anti-discrimination procedure on hiring, compensation, promotion, termination, retirement and access to training was available during the audit.
2. Gender divisions did not exist in the facility. Both female and male employees were distributed in all types of work.
3. Through payroll records review, employees with the same job and seniority were paid with the same rate irrespective of gender, age, or other issues.
4. There was an internal grievance process, all selected employees were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

1. The hiring and termination procedure
2. Leave application records
3. Termination records
4. Training records
5. Attendance records from 1st June 2018 to 26th June 2019 and payroll records from June 2018 to May 2019
6. Employee interview and management interview
7. Facility tour

Any other comments:

None

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>Male: <u>70</u> % Female <u>30</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>#: 0</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>	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement N/A
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Professional Development	
<p>A: What type of training and development are available for workers?</p>	Working skills and private capability improvement training, Health and Safety training, etc. were provided to employees.

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: N/A
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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: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement:</p>	<p>Objective evidence observed: Not applicable</p>

<p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	
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Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective Evidence Observed:</p> <p>Not applicable</p>

8: Regular Employment Is Provided

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. There were 14 employees (8 female and 6 male) in the facility, including 7 production employees and 7 non-production employees. 10 out of 14 employees were migrant employees in the facility, and the migrant employees were from other provinces of China such as Sichuan, Hunan, etc.
2. No temporary employee, apprenticeship scheme or home employee was found during this audit.
3. No sub-contractor was used by the facility.
4. Each employee had signed labour contract and received a copy of labor contract.

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

Details:

1. The hiring and termination policy/procedure
2. Labour contracts
3. Personal files
4. Payroll records from June 2018 to May 2019
5. Employees' interview and management interview
6. Facility tour

Any other comments:

None

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: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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Good Examples observed:

<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>
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Responsible Recruitment

<p>All Workers</p>	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p>

	If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A
B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe details and specific category(ies) of workers affected: N/A
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 – please give details N/A
D: If any checked, give details:	N/A

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently 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:	Migrant employees could undertake all types of processes in the facility.
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: 0 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 Please describe finding: N/A
D: Are any migrant workers in skilled, technical, or management roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p>If yes number and example of roles:</p> <p>About 70% management roles were migrant employees.</p>
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NON-EMPLOYEE WORKERS

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

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

<p>C: Were sufficient documents for agency workers available for review?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A, no agency employee was observed during this audit.</p>
<p>D: Is there a legal contract / agreement with all agencies?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A, no agency employee was observed during this audit.</p>
<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A, no agency employee was observed during this audit.</p>

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

8A: Sub-Contracting and Homeworking:

8A: Sub-Contracting and Homeworking (Click here to return to NC-table) (Click here to return to Key Information)
<p>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.</p> <p style="text-align: center;"><i>Note to auditor on homeworking:</i> Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.</p> <p style="text-align: center;"><i>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</i></p>

Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> 1. Through facility tour, it was noted that all production processes were presented in the facility. 2. No home-working was found during this audit. 3. No sub-contractor was used by the facility. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. Production records 2. Employees' interview and management interview 3. Factory tour

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 <input type="checkbox"/> NC against customer code: </p> <p>None observed</p> <p>Local law and/or ETI /Additional Elements requirement:</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

Observation:	
<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective Evidence Observed:</p> <p>Not applicable</p>

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

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

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The facility provided a grievance mechanism to employees (such as worker representatives and suggestion box) to report any violations of Labour standards and H&S or any other grievances. And the reporter would be confidential for all reporters.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Through employees' interview, all randomly selected employees stated that they were aware of this channel.</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>Worker representatives and suggestion box</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other Details: Use anonymous to report any issues through the grievance mechanism without any punishment or vengeance.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: N/A</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. help lines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: N/A</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details: N/A</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain: N/A</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details: N/A</p>

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. Through documentation review, the facility established a written disciplinary procedure for employees' misbehaviour which included oral warning, education, warning letter and finally termination, and provided the training program for all employees on the procedure. It was confirmed that employees were aware of the disciplinary procedure through employees' interview.
2. Through management interview, document review and employees' interview, there was a policy on prevention of harsh treatment.
3. There was an internal process for grievance, which was a suggestion box, where employees can report any grievances (such as sexual harassment, bullying, physical abuse and discrimination), and any received complaint would be handled by management, without any reprisal for the employee in question. All selected employees were aware this process. The grievance mechanisms were legitimate, accessible and equitable.

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

Details:

1. The policy on prevention of harassment and abuse
2. Internal grievance procedure
3. Training records
4. Employees' interview and management interview
5. Facility tour

Any other comments:

None

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: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI/Additional elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</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:

1. Per personnel files review, management interview and employees' interview, all employees in the facility were Chinese. 10 out of 14 employees were migrant employees who came from other provinces such as Sichuan, Hunan, etc.
2. All employees had the proper legal rights to work in this region.
3. The youngest age was 24 years old.
4. All employees were hired by the facility directly.

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

Details:

1. Hiring policy/procedure
2. Personnel files
3. Employee interview and management interview
4. Facility tour

Any other comments:

None

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:

Not applicable

Recommended corrective action:

Objective evidence observed:

Not applicable

Not applicable	
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility conducted some training for all employees on the avoidance of environmental impact.
- Ms. Chen Yingmei / HR Supervisor was appointed responsibility for environmental issues.
- The required legal documents such as Environmental Impact Assessment (EIA) report Form, Environmental Impact Assessment (EIA) approval and environmental protection acceptance checks report for completed construction project etc. were not provided for review on the assessment day.
- The hazardous waste was transferred to qualified unit.
- Environment monitoring was provided for review.

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

Details:

1. Environment protection policy for review
2. Facility tour
3. Employees' interview and management interview

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law

No Environmental Impact Assessment (EIA) for construction project. During facility tour, auditor found that products in the facility are shoes, and the main processes polishing, gluing, assembly and packing, waste gas and hazardous waste generated from manufacturing would cause influence on the environment. EIA document shall be compiled for assessing detailed environmental impacts and relevant protective measures. However, the facility could not provide EIA document for review.

Local law and/or ETI/Additional Elements requirement:

Objective evidence observed:

(where relevant please add photo numbers)

Facility tour, management interview and document review

<p>In accordance with the PRC Environmental Impact Assessment Law Article 16, the state conducts systematic management over the Environmental Impact Assessment of construction projects in accordance with the degree of impact on the environment. Construction units shall compile Environmental Impact Report, Environmental Impact Report Form or fill out Environmental Impact Registration Form (hereinafter referred to as Environmental Impact Assessment Documents) under the following rules: (1) For those that may cause heavy environmental impact, Environmental Impact Report shall be compiled, and the environmental impact produced shall be fully assessed. (2) For those that may cause slight environmental impact, Environmental Impact Report Form shall be compiled, and the environmental impact produced shall be analyzed or specially assessed. (3) For those that have very little environmental impact and do not need any Environmental Impact Assessment, Environmental Impact Registration Form shall be filled out. The construction projects' systematic management directory of Environmental Impact Assessment is made and published by the executive department of ecological management under the State Council.</p> <p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>Recommended corrective action: It is recommended that the facility should compile EIA document as per legal requirement.</p> <p>Action By: Ms. Chen Yingmei / HR Supervisor Recommended completion timescale: 90 days Verification method: Desktop</p>	
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input checked="" type="checkbox"/> NC against Local Law</p> <p>No Environmental Impact Assessment (EIA) approval / registration for construction project. During document review, the facility could not provide the EIA approval / registration for construction project for review.</p> <p>Local law and/or ETI/Additional Elements requirement: In accordance with The PRC Environmental Impact Assessment Law Article 22, The construction unit shall submit the Environmental Impact Report or Environmental Impact Report Form of the construction project to the authorized executive department of ecological management in accordance with the regulations of the State Council for examination and approval. The state implements register management for Environmental Impact Registration Form.</p> <p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>Recommended corrective action: It is recommended that the facility should obtain EIA approval / registration as per legal requirement.</p> <p>Action By: Ms. Chen Yingmei / HR Supervisor Recommended completion timescale: 90 days Verification method: Desktop</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Facility tour, management interview and document review</p>

<p>3. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input checked="" type="checkbox"/> NC against Local Law</p> <p>No environmental protection acceptance checks report for completed construction project. During facility tour, auditor found that products in the facility are shoes, and the main processes polishing, gluing, assembly and packing, waste gas and hazardous waste generated from manufacturing would cause influence on the environment. However, during document review, the facility could not provide the environmental protection acceptance check approval for their construction project for review.</p> <p>Local law and/or ETI/Additional Elements requirement: In accordance with the Measures for the Administrative Regulation on Environmental Protection of Construction Projects Article 17, After the completion of the construction project which requires compiling Environmental Impact Report or Environmental Impact Report Form, the construction entity shall carry out inspection and acceptance for the ancillary environmental protection facilities and compile the acceptance report in according with the standards and procedures provided by the administrative department of environmental protection of the State Council. During the process of inspection and acceptance of the environmental protection facilities, the construction entity shall, strictly according to facts, inspect, monitor and record the status of the construction and adjustment of environmental protection facilities. Falsification is prohibited. The construction entity shall make the acceptance check report available to the public according to law, except it is required to keep confidential according to the provisions of the State.</p> <p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>Recommended corrective action: It is recommended that the facility should apply the environmental protection acceptance check for their construction project as per legal requirement.</p> <p>Action By: Ms. Chen Yingmei / HR Supervisor Recommended completion timescale: 90 days Verification method: Desktop</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Facility tour, management interview and document review</p>
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI/additional elements requirement: Not applicable</p> <p>Comments:</p>	<p>Objective evidence observed: Not applicable</p>

Not applicable	
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Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Other Findings Outside the Scope of the Code
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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

Photo Form

Best Practice Photos:

None observed	None observed	None observed
N/A	N/A	N/A










Non-compliance Photos:

		None observed
NC Photo 1: No label or secondary container for chemical used	NC Photo 2: No safety guard for sewing machine	N/A

General Site Tour Photos:

		
Facility entrance	Facility name	Production building

<p>Production workshop (including polishing, gluing, assembly and packing)</p>	<p>Polishing (employees wore the PPE)</p>	<p>Material warehouse</p>
<p>Finished goods stored area</p>	<p>Safety exit with emergency light and exit sign</p>	<p>Fire alarm and fire hydrant</p>
<p>Fire extinguishers</p>	<p>Evacuation plan</p>	<p>Evacuation indicator sign</p>

Evacuation aisle	Explosion proof light	Fire hydrant inside
		
Posted MSDS	Eye wash station	Chemical stored area
		
Emergency light and evacuation sign used in staircase	Toilet	Electronic box
		
Suggestion box	Drinking water	Attendance recorder

<p>First aid kit</p>	<p>Cargo lift</p>	<p>Locker provided for employees</p>

DISCLAIMER:

"This report is for the exclusive use of the client of Intertek named in this report (“**Client**”) and is provided pursuant to an agreement for services between Intertek and Client (“**Client Agreement**”). This report provides a summary of the findings and other applicable information found/gathered during the audit conducted at the specified facilities on the specified date only. Therefore, this report does not cover, and Intertek accepts no responsibility for, other locations that may be used in the supply chain of the relevant product or service. Further, as the audit process used by Intertek is a sampling exercise only, Intertek accepts no responsibility for any non-compliant issues that may be revealed relating to the operations of the identified facility at any other date. Intertek’s responsibility and liability are also limited in accordance to the terms and conditions of the Client Agreement. Intertek assumes no liability to any party, for any loss, expense or damage occasioned by the use of this information other than to the Client and in accordance with the Client Agreement and these disclaimers. The disclaimer should be read in conjunction with the Terms and Conditions of Intertek.”



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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d)

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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