



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1041361	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1007673
Business name (Company name):	Ningbo Zhenhai Chengdi Stationery Co., Ltd		
Site name:	Ningbo Zhenhai Chengdi Stationery Co., Ltd 宁波市镇海承迪文具有限公司		
Site address: <i>(Please include full address)</i>	4th Building, No.728 West Zhenluo Road, Luotuo Street, Zhenhai District, Ningbo City, Zhejiang Province. 浙江省宁波市镇海区骆驼街道镇骆西路 728 号 4 号楼	Country:	China
Site contact and job title:	Ms. Xiaomei Xu/ HR Manager		
Site phone:	86-574-86559909	Site e-mail:	2853376002@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	01-03 July 2020		

Audit Company Name & Logo:  TÜVRheinland® Precisely Right. TUV Rheinland (Guangdong) Ltd.	Report Owner (payer): Ningbo Zhenhai Chengdi Stationery Co., Ltd
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Bonnie Dong APSCA number: RA 21702970

Lead auditor APSCA status: In Good Standing

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

Interviewers: Bonnie Dong APSCA number: RA 21702970

Report writer: Bonnie Dong

Report reviewer: Snowy Yang

Date of declaration: 03 July 2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> None was observed
0B Management systems and code implementation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC: <ul style="list-style-type: none"> The factory did not update the relevant law.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: <ul style="list-style-type: none"> No label for chemical.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: <ul style="list-style-type: none"> Insufficient social insurances.
6. Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed
7. Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed
8. Regular Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC:

									<ul style="list-style-type: none"> Occupational hazards were not specified in the labor contract.
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 was 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 was 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 was observed
10B2	<u>Environment 2-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
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	0	OB: <ul style="list-style-type: none"> SAQ not completed at the time of audit.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed

General observations and summary of the site:

Audit Process:

This initial audit was conducted by TUV Rheinland. One auditor assessed the factory's operations against the ETI Base Code and local legislations on a sampling basis in 2.5 days and included interviews and records inspection of 26 workers. The attitude of management of factory was cooperative and constructive. Factory had not obtained any certificate on social responsibility, but related documents and procedures were available.

Overview of opening meeting:

At 09:00 am of 01 July 2020, the auditor entered the factory then held an opening meeting according to the ETI Base Code; The auditor introduced the audit information to the employment site's management and explained the purpose and scope of the audit, including potential benefits to the employment site, discussed and agreed the audit schedule. The factory management was present at the meeting. They stated that they would be cooperative with this audit.

Summary of Findings (positive and negative):

Positive:

1. The factory had established social policies, procedures and work instructions to compliance with standards concerning Human rights.
2. The factory had an ethical trade policy and written procedures which met the ETI Base Code and International Labour Standards.

3. No forced, bonded or involuntary prison labour was identified during the audit.
4. There was no union at the site, but workers have the right to join a union if they wish.
5. The factory established a health and safety policy, and a health and safety committee was established in the factory also. The date last EHS meeting was 10 June 2020 with topic of work condition
6. Review the workers' roster, workers' personnel files, labour contracts and site observation, no child labour was employed in the factory. The youngest worker was 18 years old, who was born on 27 August 2001 and employed in the factory on 02 September 2019.
7. Based on payrolls from June 2019 to May 2020, all employees were paid by salaried-rate and the payment exceeded local legal minimum wage.
8. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
9. The factory didn't use subcontracting or homeworking that the auditor verified it that through document review, factory tour, management interview and employee interview
10. Per document review, factory management representation and worker interview, all workers in the Factory were Chinese, there were around 73% employees that were migrant workers which came from other provinces (mainly from Anhui, Hebei, Henan and Chongqing province etc.)
11. The factory established a comprehensive environment protection emergency plan to mitigate environment impact in case of accidents.
12. The factory established their own policy about business ethics and conveyed to relevant parties, such as employees whose job roles carried a higher level of risk in the area of ethical business practice and all suppliers.

Negative findings:

Finding 1: It was noted that the factory did not update the relevant law, such as regulations on the safety administration of hazardous chemicals (2011), it most updated version should be Regulations on the safety administration of hazardous chemicals (2013).

Finding 2: It was noted that there was no label for chemical (such as glue) used in production workshop.

Finding 3: There were total 192 employees on the audit date, based on social insurance receipts and interview, insufficient social insurances were paid to employees, the current system: endowment insurance: 102 employees, occupational injury insurance: 102 employees, unemployment insurance: 102 employees, maternity insurance: 102 employees, medical insurance: 102 employees. In addition, the factory provided commercial insurance to other 90 employees.

Finding 4: It was noted that occupational disease might result in the work process of some employees in the factory (e.g. workers who worked long hours might damage their ears in cutting workshop, workers who engaged in chemicals long time might poisoning). However, the facts, harmful effects, consequences, protective measures and necessary treatment of occupational diseases were not indicated in their employment contracts.

Observation

1. The factory did not provide SAQ at the time of audit for review.

Good Examples

Nil

Remark: The factory address on business license was "No.728 West Zhenluo Road, Luotuo Street, Zhenhai District, Ningbo City, Zhejiang Province". Confirmed by factory tour and management interview, the auditee only used the No.4 building of the boundary. The auditee confirmed to use the address "4th Building, No.728 West Zhenluo Road, Luotuo Street, Zhenhai District, Ningbo City, Zhejiang Province".

**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:	Ningbo Zhenhai Chengdi Stationery Co., Ltd																			
B: Site name:	Ningbo Zhenhai Chengdi Stationery Co., Ltd																			
C: GPS location: (If available)	GPS Address: 4th Building, No.728 West Zhenluo Road, Luotuo Street, Zhenhai District, Ningbo City, Zhejiang Province, China	Latitude: 29.984063 Longitude: 121.618392																		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license Number: 913302017843201241, valid from 14 February 2006 to long term.																			
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of stationeries, such as Note book, Coil Book, Picture book, plush book, pen bag and stationery set etc.																			
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Ningbo Zhenhai Chengdi Stationery Co., Ltd was located at 4th Building, No.728 West Zhenluo Road, Luotuo Street, Zhenhai District, Ningbo City, Zhejiang Province. Total construction area was around 6,474 square meters. They started their operation at the existing location in 2014. The factory rented one 4-storey production building from Ningbo XX Construction engineering Co., Ltd. The lease contract was provided for review. No dormitory, canteen and kitchen were provided.</p> <table border="1"> <thead> <tr> <th>Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Printing and cutting workshop, raw material warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Assembly and packing workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Office area</td> <td>Nil</td> </tr> <tr> <td>Floor 4</td> <td>Assembly and packing workshop</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table> <p>A total of 192 employees were currently working in the factory, including 134 female workers and 58 male workers. The production workers were 144 and 48 non-production employees. The number of local workers was 52. All permanent workers were hired by the factory directly. The youngest worker was 18 years old, who was born on 27 August 2001 and</p>		Production Building	Description	Remark, if any	Floor 1	Printing and cutting workshop, raw material warehouse	Nil	Floor 2	Assembly and packing workshop	Nil	Floor 3	Office area	Nil	Floor 4	Assembly and packing workshop	Nil	Is this a shared building?	No	Nil
Production Building	Description	Remark, if any																		
Floor 1	Printing and cutting workshop, raw material warehouse	Nil																		
Floor 2	Assembly and packing workshop	Nil																		
Floor 3	Office area	Nil																		
Floor 4	Assembly and packing workshop	Nil																		
Is this a shared building?	No	Nil																		

	<p>employed in the factory on 02 September 2019. No child labor or young worker was identified during the audit.</p> <p>All employees worked for 5 days a week, and the normal working hour was from 8:00 to 17:00 with one hour for lunchtime from 12:00 to 13:00. IC card attendance machine was installed for time keeping. All workers' wage was paid by cash monthly. The peak season of this factory was not obvious.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: No large crack was observed.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: Construction safety certificate for the building in the factory was provided 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>No obvious peak season.</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>The main products manufactured by the factory were stationeries, such as note book, Coil Book, Picture book, plush book, pen bag and stationery set etc.</p> <p>The main production processes were listed as follows: Printing, Cutting, Assembly, Inspection, Packing</p> <p>Main equipment listed below: Printing machines: 3 sets, Impress machines: 2 sets, Punching machines: 7 sets, Cutting machines: 6 sets, Assembly lines: 4 lines.</p>
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) 2 worker representatives were elected by all Employees.

	<input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers No off site dormitory was identified.
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A. No dormitory was provided

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:00 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: 9:00 A4: Day 2 Time out: 17:00	A5: Day 3 Time in: 8:00 A6: Day 3 Time out: 12:00
B: Number of auditor days used:	One auditor in 2.5 days		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input 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 E1: If No, why not? The factory didn't know the requirement.		
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, No SAQ was provided for review		
G: Who signed and agreed CAPR (Name and job title)	Ms. Xiaomei Xu/ HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

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 type="checkbox"/> No N/A
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 type="checkbox"/> No N/A
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no union representative in the factory, but the worker representative was available.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	15	0	0	43	0	0	0	58
Worker numbers – female	37	0	0	97	0	0	0	134
Total	52	0	0	140	0	0	0	192
Number of Workers interviewed – male	1	0	0	8	0	0	0	9
Number of Workers interviewed – female	4	0	0	13	0	0	0	17
Total – interviewed sample size	5	0	0	21	0	0	0	26



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

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	20 employees in 4 groups.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 2 D2: Female: 4
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	All workers interviewed had a positive attitude to management and site.
I: What did the workers like the most about working at this site?	Most workers said they were satisfied with working condition, the wage was paid timely, etc.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Positive, they stated they were contented with the current working hours.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers:	

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

6 employees were selected for the individual interview and total 20 employees in four groups were selected for the group interview. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working condition to their worker representative who would take it to the worker management committee.

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

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

The interviewed worker representative showed that the management was kind and the workplace was comfortable. No any negative information was observed.

O: Attitude of managers:

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

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

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established social policies, procedures and work instructions to compliance with standards concerning Human rights.
2. Ms. Xiaomei Xu/ HR Manager was designated as responsible personal for management of Human rights impacts.
3. The factory had a process for managing respect for Human Rights and effectively addressing any negative impacts
4. The factory communicated standards concerning Human rights to their suppliers and provided the questionnaire of standards concerning Human rights through their supply chain.
5. The factory had procedures for 'worker respect and privacy' implemented.
6. The employees had access to a transparent system for confidentially reporting, and dealing with any Human Rights issues without fear of reprisals towards the reporter.

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

Details:

Employee manual

CSR manual and procedures

Suppliers management procedure

Social accountability policy

Internal CSR audit records and management review records

Communicate records of social accountability policy with suppliers

Training records

Worker interview

Any other comments:
Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory established the policy which stated commitment to respect 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: One management representative was responsible for implementing standards concerning Human rights. Name: Ms. Xiaomei Xu Job title: HR Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Confidentially reporting such as access to workers' representatives directly or write anonymous letter to the suggestion box or call the telephone of the factory boss directly. And the factory established the prevention of retaliation procedure.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had procedures for 'worker respect and privacy' implemented.</p>

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

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: _4.4_ %	A2: This year _5.2_ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	2.6%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: _7.6_ %	C2: This year _4.6_ %
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	Q 1: 3 % Q 2: 4.2 %	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accidents records were reviewed during the audit. No accident in the last 12 months in the factory.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___% workers	I2: 12 months ___0___% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ____0____% workers	J2: 12 months ____0____% workers
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0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had an ethical trade policy and written procedures which meet the ETI Base Code and International Labour Standards.
2. The appointment of a senior responsible management representative (Ms. Xiaomei Xu/ HR Manager) for management of ETI compliance was also provided for review.
3. The factory was aware of specific client requirements such as client's policy on labour standards, labelling, quality, environment and showed commitment to work with their clients to meet these requirements
4. The site had all applicable business licences and all legally required permits & licenses to operate.
5. Auditor crosschecked attendance records provided by management with related production records collected from workshops and interview 26 sample workers. No inconsistency was noted.
6. The facility had posted the ETI code in the workshop.
7. Internal CSR audit and management review were conducted in the factory.

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

Details:

- Employee manual
- CSR manual and procedures
- Suppliers management procedure
- Internal CSR audit records and management review records
- Training records
- Worker interview

Any other comments:

Nil

Management Systems:

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

Yes

No

A1: Please give details:

Searched for the information from web site, communicated with management representative and interviewed with workers, not

	any noncompliance to regulation was raised in the past 12 months.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies existed the site such as Non-child labour, Non-prison labour, etc. to prohibit employing child labour and prison labour. the factory established some policies to prohibit discrimination, harassment & abuse and posted on factory notice board.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	No forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Standards on 'Forced labour' and 'No harsh treatment' were communicated to workers through posters and annual training,
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The related training records were provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: The factory had a quality system certification. System certification: GB/T19001-2016/ISO9001:2015, Registration Number: QM071904089, valid from 23 April 2019 to 22 April 2022.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: One management representative was responsible for HR matters.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Xiaomei Xu/ HR Manager was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details:

	The factory had a policy to protect workers' privacy information.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory established prevention disclosure procedure to ensure the confidential information was kept confidential and filing drawers state can only be accessed by authorised personnel
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The site delivered internal audits on an annual basis in advance of 3rd party customer audits.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory established Health and safety risk assessment procedure and risk identification, worked out assessment and control action list.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory established supplier management procedures such as labour standards requirement
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had all required land rights, licences and permissions.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory established a system 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 P1: If yes, how does the company obtain FPIC: N/A

<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The lease contract was provided for review</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The factory agreed that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: N/A. All the areas of factory were legal according to the interview and document review</p>

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that the factory did not update the relevant law, such as regulations on the safety administration of hazardous chemicals (2011), it most updated version should be Regulations on the safety administration of hazardous chemicals (2013).</p> <p>Local law and/or ETI requirement: ETI requirement 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>Recommended corrective action: The factory should update the law regularly and ensure the most updated law is collected and identified.</p>	<p>Objective evidence observed: Document review and management interview Please refer to NC photo 01</p>

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

Good Examples observed:

Description of Good Example (GE): None was observed	Objective evidence observed: N/A
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1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. A policy which prohibited forced labour was available for review.
2. A Policy stated that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The workers were free to leave the workplace outside of their working hours.
4. 26 out of 26 sampled randomly interviewed workers confirmed they were free to resign after reasonable notice. Such as 30 days' notice in advance for the formal workers.
5. No forced, bonded or involuntary prison labour was identified during the audit.

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

Details:

- Recruitment policy / procedure
- Employees manual
- Employee labour contract
- Employee personnel file
- Employee interview

Any other comments:

Nil

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

	The factory did not restrict workers' freedom to terminate employment, workers could freely resign after communication with management or fill resign application form in advance of 30 days.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: The factory did not restrict workers' freedom and workers could leave the factory freely after shift ends.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The factory had learned the risks of forced labour and conducted assessment in its supply chain.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Procedures such as Non-forced labour were practiced to prohibit employing forced labour. The factory conducted internal audit every year.

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 was observed</p> <p>Local law and/or ETI requirement N/A</p> <p>Recommended corrective action: Nil</p> <p>2. 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 was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: N/A</p>

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

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. Freedom of association procedure and workers representative election procedure were established and available for checking.
- 2. Worker representation presented at the site and there were 2 worker representatives in the factory, who were elected by workers democratically, the workers could complain via the worker representative, the workers can also complain to their supervisors directly or through suggestion box.
- 3. There was no union at the site, but workers have the right to join a union if they wish.
- 4. The factory management and worker representative's communication meeting was conducted regularly, meeting records were provided for review.
- 5. On the audit day, the worker representative was present at the open meeting and closing meeting, and she was interviewed by the auditor

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

Details:

- Freedom of association procedure,
- Workers representative selection procedure and selection record
- Meeting minutes between management and worker representatives
- Worker representatives' interview

Any other comments:

Nil

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

- Union (name)
- Worker Committee
- Other (specify) 2 worker representatives in the factory
- None

B: Is it a legal requirement to have a union?

- Yes
- No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: There were form of effective worker communication such as worker representatives, suggestion box and confidential email D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided activity place for workers representative to conduct related business.	
F: Name of union and union representative, if applicable:	N/A, no trade union in the factory.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker representatives and suggestion box	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 18 October 2018
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: one worker representative was interviewed during audit.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Meetings were held regularly between the worker representatives and factory management. According to document review and workers interview, the latest meeting was conducted on 10th March 2020 with topic of communication between workers and management.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	M1: ___% workers covered by Union CBA N/A	M2: ___% workers covered by worker rep CBA N/A

M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No 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 was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p> <p>2. 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 was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: N/A</p>

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The health and Safety policy/manual/procedures were checked and communicated to employees. They were sufficient for the level of risk inherent in the industry.
2. The factory established a health and safety policy, and a health and safety committee was established in the factory also. The date of last EHS meeting was 10 June 2020 with topic of work condition.
3. The management understood the principles of risk assessment on health and safety and the assessment reports were retained.
4. The factory designated Ms. Xiaomei Xu/ HR Manager as responsible for H&S issues.
5. During the document reviewed, documentary evidence of these practices and certifications presented at the site such as fire inspections, structural safety inspections.
6. Fire drills were conducted in the production area twice a year, once involves setting off the fire alarm without warning anyone to assure that all workers understand how to escape from the building calmly but quickly. The fire drill records indicated the evacuation time, employee numbers participated in the fire drills etc. The last fire drill was conducted on 26 May 2020. And there were 2 firefighters.
7. Emergency stairwells on multi-story buildings were sufficient in number and appropriately designed to support safe evacuation of personnel
8. There were adequate first aid kits in each production area and they were well stocked. There were 5 first aiders trained in the factory.
9. Sufficient clean toilets segregated by gender were available at all times to workers
10. Material Safety Data Sheets were available and there were hazard diagrams on any chemicals which needed careful handling.
11. Evacuation diagrams were posted in all areas and understood by all workers interviewed
12. The occupational disease factor analysis reports were issued on 29 October 2019.
13. Accident records were kept and provided for review. No accident happened in the past one years.
14. Drinking water was freely available in the site and provided test certificate for review.
15. Fire equipment (such as fire extinguishers, fire hydrants, emergency light etc.) were checked by designated person every month, which was confirmed by document.
16. The factory provided chemical safety training for workers.
17. The auditee site had electrical equipment, the factory posted warning signs on the area which electrical equipment located and the factory had designated person every month.

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

Details:

- Health, safety, environmental policy and procedures
- Health, safety, environmental committee structure and meeting minutes
- Emergency preparedness plan
- Reports of accidents and near misses
- Emergency evacuation records
- Work-related injury/incident / illness record
- Worker interview

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Health & Safety policies and procedures were established to conducted health and safety training for employees every year.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Health & Safety policies were included in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Per factory tour, there was not any structural addition without required permits/inspections.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: During factory tour, auditor was informed on H&S and was provided with personal protective equipment during factory tour.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: First aid kit was available at each workshop.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: 5 first aiders trained by local hospital were available in the factory for first aid service.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory didn't provide transport for workers.</p>

H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A, no dormitory was provided for employees.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Health and safety risk assessment procedure was established and risk identification, assessment and control action list had worked out. The factory provided the risk assessment list for reviewing and effective actions were recorded.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The production activities of the factory were accord with local requirements. And no fine was happened due to non-compliance to regulation in the past 12 months
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had a copy of the banned substances list from its customer, which met those requirements.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that there was no label for chemical (such as glue) used in production workshop.</p> <p>Local law and/or ETI requirement ETI requirement 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>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>Recommended corrective action: It is recommended that safety labels should be attached for all hazardous chemicals for identification.</p>	<p>Objective evidence observed: Per factory tour and management interview Please refer to NC photo 02</p>

Observation:	
<p>Description of observation: None was observed</p>	<p>Objective evidence observed:</p>

<p>Local law or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	<p>N/A</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): None was observed</p>	<p>Objective Evidence Observed: N/A</p>

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory had a policy to take all necessary support actions for the safety, health, education and development of Child Labor.
- 2. The factory had established effective procedure to verify the workers' ages during the recruitment. All applicants had to fill application form during recruiting, and all information identified in the application form should be verified.
- 3. Review the workers' roster, workers' personnel files, labour contracts and site observation, no child labour was employed in the factory. The youngest worker was 18 years old.

Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labor.

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

Details:

- Recruitment system
- Employees roster
- Employee personnel files with employee ID copy
- Labour contracts
- Employee interview

Any other comments:

Nil

A: Legal age of employment:	16 years old Article 15 of China Labor Law: The employer was strictly forbidden to hire labor younger than 16 years old.
B: Age of youngest worker found:	The youngest worker was 18 years old, who was born on 27 August 2001 and employed in the factory on 02 September 2019.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No child was identified during audit.

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 E1: If yes, 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 was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p> <p>2. 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 was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: N/A</p>

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

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
2. Based on payrolls from June 2019 to May 2020, all employees were paid by salaried-rate and the payment exceeded local legal minimum wage.
3. The local minimum wage standard in Ningbo City, Zhejiang Province was RMB 2,010 per month equivalent to RMB 11.55 (2,010/21.75/8) per hour since 1st December 2017. The actual lowest basic wage in the factory was RMB 12.64 (2,200/21.75/8) per hour.
4. Wages were paid on 30th or in advance of following month by cash and pay slip was issued for each pay period.
5. Overtime wage rates were paid at the legally required rate to workers. No any illegal deduction (e.g. employment broker fees, fines etc.) or withholdings were made from wages.
6. Benefits of paid annual leave was given to all workers and child-bearing leave to appropriate workers. All legally mandated allowances and benefits were provided to the employees.
7. There were total 192 employees on the audit date, based on social insurance receipts and interview, insufficient social insurances were paid to employees, the current system: endowment insurance: 102 employees, occupational injury insurance: 102 employees, unemployment insurance: 102 employees, maternity insurance: 102 employees, medical insurance: 102 employees. In addition, the factory provided commercial insurance to other 90 employees. The commercial insurance validated from 30 August 2019 to 29 August 2020.

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

Details:

- Payroll records from June 2019 to May 2020
- Attendance records (June 2019 to audit date);
- Leave Policy
- Policy and procedure on wages and benefits
- Employee Handbook
- Leaving records
- Production records
- Worker interview

<p>Social insurance records</p> <p>Any other comments: Nil</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: There were total 192 employees on the audit date, based on social insurance receipts and interview, insufficient social insurances were paid to employees, the current system: endowment insurance: 102 employees, occupational injury insurance: 102 employees, unemployment insurance: 102 employees, maternity insurance: 102 employees, medical insurance: 102 employees. In addition, the factory provided commercial insurance to other 90 employees.</p> <p>Local law and/or ETI requirement: ETI requirement 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Labor Law of the People’s Republic of China (1994), Article 72 The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.</p> <p>Recommended corrective action: The factory should provide the legal required social insurance to all workers.</p>	<p>Objective evidence observed: Based on social insurance payment receipts, social insurance receipt review and interview</p>

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

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day 40 hours per week	A1: 8 hours per day 40 hours per week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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	B1: Maximum 2 hours OT on normal days, 10 hours per week, 36 hours OT per month.	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB 2,010 per month equivalent to RMB 11.55 (2,010/21.75/8) per hour since 1st December 2017.	C1: RMB 2,200 per month	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: The employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: 1) to pay no less than 150% of the normal wages if the extension of working hours is arranged; 2) to pay no less than 200% of the normal wages if the extended hours are	D1: Overtime hours on normal working days and rest days were compensated by 150% and 200% respectively of normal wage standard. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays will be	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A

	arranged on days of rest and no deferred rest can be taken; 3) To pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays	paid by 300% of normal wage)	
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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
A1: If No , why not?	N/A
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	26 sampled employees in May 2020 (current paid month) 26 sampled employees in January 2020 (Random month) 26 sampled employees in August 2019 (Random month)
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes , please give details: N/A
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A D1: If No , please give details: N/A
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> The actual lowest basic wage in the facility was RMB 2,200 per month which is exceeded the legal minimum.
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: 100_% of workforce earning above minimum wage
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Position bonus (RMB 800-2500).
H: What deductions are required by law e.g. social insurance? Please state all types:	Personal contribution of social insurance, income tax,

I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Nil 2. Please describe: Nil
		I2: Please list all deductions that have not been made.	1. social insurance 2. income tax Please describe: The factory paid social insurances and income taxes for workers.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence: N/A	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The attendance records indicated that the punched in and out were calculated as work time. No inconstant records were observed during the audit.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: No periodic reviews of wages were conducted		

<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 All employees were paid at the 30th or in advance of following month by cash confirmed by workers interview and management interview</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employee's interviews' interview, it was confirmed that equal rates were being paid for equal work.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Through employees' interview, overtime was voluntary.
2. IC card attendance machine was completed by workers and then entered into the electronic payroll system which calculates wages.
3. The factory provided attendance records from June 2019 to audit day and wages records from June 2019 to May 2020.
4. All employees worked for 5 days a week, and the normal working hour was from 8:00 to 17:00 with one hour for lunchtime from 12:00 to 13:00. All workers worked 6 consecutive days with at least 1 day rest.
5. Total overtime was maximum 2 hours per day, 10 hours per week and 36 hours per month.
6. Ensured working hours, breaks, holidays and rest periods were in accordance with local law, also verified through production records review and employee interviews.
7. The working time was recorded by electronic attendance system and the factory recorded detail IN/OUT for the beginning and end of morning, afternoon and overtime.

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

Details:
 Working hours and overtime hours policy and procedure;
 Attendance records (June 2019 to audit date);
 Production records related to working hours (production plan, output records and inspection records)
 Worker interview

Any other comments:
 Nil

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p> <p>2. 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 was observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: N/A</p>

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

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

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: IC card system.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate: N/A			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		N/A			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		Maximum number of days worked without a day off (in sample):			
		Continuous 24 hours off after 6 days consecutive working days was guaranteed.			

Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours a day, 10 hours per week, 36 hours per month in August 2019 (random month) 2 hours a day, 10 hours per week, 28 hours per month in January 2020 (random month) 2 hours a day, 10 hours per week, 36 hours per month in May 2020 (current paid month).	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__100__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Labour contracts had defined that the workers' overtime working were voluntary. Working hours' procedure also stipulated that the workers can attend the overtime working by their voluntary. In additional, 26 out of 26 randomly sample interviewed workers also confirmed that they took the overtime working by their own will.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: Overtime hours on normal working days and rest days were compensated by 150% and 200% respectively of normal wage standard. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays will be paid by 300% of normal wage)

<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: 100% workers every month.</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>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
<p>N/A</p>	<p>N/A</p>	
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
<p>Nil. Remark: the maximum weekly hours were 50 hours.</p>	<p>Nil. Remark: the maximum weekly hours were 50 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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Q1: If yes, please give details: Confirmed by workers interview and management interview.</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Workers wanted to work more overtime to earn more money.</p>	

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
2. Policies and requirements for any health checks prior to employment with particularly reference to pregnancy and HIV testing to ensure workers do not discriminate
3. No pay inequality based on unfair or unlawful discrimination.
4. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
5. There was an internal grievance process.
6. Based on site tour and employee interviews, no any segregation of workers was due to accepted cultural norms and that equal opportunities still apply across all groups.
7. As informed by interviewed workers, most employees spoke highly of the factory owner.

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

Details:

- Factory rules and regulations
- Policy on prohibiting discrimination
- Wages, benefits and compensation policy
- Employment contracts
- Disciplinary practices
- Penalty records / reward records
- Promotion / demotion records
- Appeal, suggestion records and follow-up

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: _54___ % A2: Female__46_ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 0

<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: Nil</p>
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Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>Please give details Technical training, career training, working post improvement training, etc.</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If no, please give details:</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p> <p>2. 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 was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: N/A</p>

Observation:

<p>Description of observation: None was observed</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: Nil</p>	<p>Objective evidence observed: N/A</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): None was observed</p>	<p>Objective Evidence Observed: N/A</p>

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Work performed was on the basis of recognized employment relationship established through national law and practice.
2. All the labour contracts of employees were provided for review, as per the labour contract all employees were hired by the factory directly.
3. None of contract labour of temporary worker was employed by the factory.
4. As reported by the interviewees, they signed labour contracts with the factory within one month upon hiring, and everyone obtained a copy of labour contract.

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

Details:

- Labour contracts
- Recruitment policy
- Recruitment Advertisement

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>It was noted that occupational disease might result in the work process of some employees in the factory (e.g. workers who worked long hours might damage their ears in cutting workshop, workers who engaged in chemicals long time might poisoning). However, the facts, harmful effects, consequences, protective measures and necessary treatment of occupational diseases were not indicated in their employment contracts.</p> <p>Local law and/or ETI requirement: ETI requirement 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p> <p>Article 33 Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases When signing labor contracts (including employment contracts, the same hereinafter) with the laborers, the employing work unit shall inform the laborers, according to the facts, the harm of occupational diseases that might be engendered in the work process as well as the consequences thereof, the protective measures and treatment against occupational diseases, and shall indicate these information in the labor contract and may not conceal such information or cheat the laborers. If the laborers are engaged in the operations that contain the harm of occupational diseases that haven't been informed in the labor contracts signed, because of the change of work posts or work contents during the contracted period of labor, the employers shall perform the obligations to inform the laborers according to the facts in accordance with the provisions of the preceding paragraph, and shall negotiate to change the relevant terms of the original labor contracts. If the according to the facts violates the provisions of the preceding two paragraphs, the laborers have the right to refuse to undertake the operations containing the harm of occupational diseases, and the according to the facts may not cancel the labor contracts signed with the laborers.</p> <p>Recommended corrective action: It is recommended that management should ensure that the facts, harmful effects, consequences, protective measures and necessary treatment of occupational diseases might result in the work process were communicated to relevant employees and indicated in their employment contracts.</p>	<p>Objective evidence observed: Document review and management interview</p>
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Observation:	
<p>Description of observation: None was observed</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: Nil</p>	<p>Objective evidence observed: N/A</p>

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

Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: 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 B1: If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All types of work
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: B2: Total number of (outside of local country) recruitment agencies used: No agency used.
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 6 migrant workers in management

NON-EMPLOYEE WORKERS

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

	<input type="checkbox"/> Other B1 – If other, please give details: N/A
C: If any checked, give details:	N/A

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: N/A

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

D: If Yes , please give evidence for contractor workers being paid per law:	N/A
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8A: Sub-Contracting and Homeworking

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- 1.The factory didn't use subcontracting or homeworking that the auditor verified it that through document review, factory tour, management interview and employee interview
2. All processes were finished within the factory.

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

Details:
 Production plan
 Production records
 Management interview and worker interview
 Factory tour.

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

Nil

2. Description of non-compliance:

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

Local law and/or ETI /Additional Elements requirement:

N/A

Objective evidence

observed:
 N/A

Recommended corrective action: Nil	
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Observation:	
Description of observation: None was observed Local law and/or ETI /Additional Elements requirement: N/A Comments: Nil	Objective evidence observed: N/A

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

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

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

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Here was suggestion box for internal grievance channel; also the workers used hotline such as "110" as grievance channel to the 3rd party.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Through worker interview, most workers were aware of this process.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline and suggestion box etc.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: The factory set up a complaint mechanism. Workers can access to workers' representatives directly or write anonymous letter to the suggestion box or call the telephone of the factory boss directly.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

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:

- From documents management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The policy stated that physical abuse or discipline was not allowed, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- No negative physical abuse was observed during the audit.

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

Details:
 No harsh and inhumane treatment policy
 Factory rules
 Employee Handbook
 Work interview
 Management interview

Any other comments:
 Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p> <p>2. 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>Objective evidence observed: N/A</p>
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<p>None was observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: Nil</p>	
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Observation:	
<p>Description of observation: None was observed</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: Nil</p>	<p>Objective evidence observed: N/A</p>

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

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

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

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

1. Per document review, factory management representation and worker interview, all workers in the factory were Chinese, there were around 73% employees that were migrant workers which came from other provinces (mainly from Anhui, Hebei, Henan and Chongqing province etc.)
2. Based on management interview, only workers with a legal right to work could be employed or used by the factory. And there were not any agency staffs, employment agencies and immigration workers used in the factory.

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

Details:
 Recruitment policy
 Employee Handbook
 Employee Roster
 Personnel file

Any other comments:
 Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local
 NC against customer code:
 None was observed

Local law and/or ETI/Additional Elements requirement:

N/A

Recommended corrective action:

Nil

2. Description of non-compliance:

NC against ETI/Additional Elements NC against Local
 NC against customer code:
 None was observed

Objective evidence observed:

N/A

<p>Local law and/or ETI/Additional Elements requirement: N/A</p> <p>Recommended corrective action: Nil</p>	
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Observation:	
<p>Description of observation: None was observed</p> <p>Local law or ETI/Additional Elements requirement: N/A</p> <p>Comments: Nil</p>	<p>Objective evidence observed: N/A</p>

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

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established a comprehensive environment protection emergency plan to mitigate environment impact in case of accidents.
2. The factory was aware of the significant environmental impact of their site and its processes.
3. There were not any fines/prosecutions for non-compliance to environmental regulations identified.
4. The factory had established the EHS management system and appointed Ms. Xiaomei Xu/ HR Manager to be responsible for the environment improvement.
5. Most of the legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit.
6. The main wastes produced by the factory were solid waste, waste oil painting and oil rags etc. The factory had signed the contracts with qualified 3rd party to dispose all hazardous wastes for the validity from 09 June 2020 to 08 June 2021. During the audit, the factory provided the hazardous waste transfer manifest records and the permits of 3rd party unit of waste disposal.

7. The annual monitoring report for waste air and water showed the pollutant discharging was compliant with environmental law. Based on observation on site, wastes were classified and collected on site.
 8. The factory had measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use.

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

Details:

Environment Management Procedure, Environmental monitoring report, Hazardous waste disposal contract and records, disposal vendor's permit, Hazardous waste transfer manifest, EIA report form, EIA approval, Environment protection policy, Emergency preparedness plan,

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

Nil

2. Description of non-compliance:

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

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

Nil

Objective evidence observed:

N/A

Observation:

Description of observation:

The factory did not provide SAQ at the time of audit for review.

Local law and/or ETI /Additional Elements requirement:

Additional Elements requirement 10B4.10

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

Comments:

Suppliers should have completed the SAQ and made it available to the auditor.

Objective evidence observed:

Document review and management interview

Good examples observed:	
Description of Good Example (GE): None was observed	Objective evidence observed: N/A

Environmental Analysis
(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)

A: Is there a manager responsible for Environmental issues (Name and Position):	Ms. Xiaomei Xu/ HR Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory conducted the risk assessment on environment impact of the site and established the energy conservation and emission reduction plan.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Nil
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, the environment policy was communicated with employees.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory established the energy conservation and emission reduction plan based on the risk assessment results.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: EIA report, EIA approval
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Relevant records and policy were provided for review. The factory had established the policy of

	storing and using hazardous chemicals and the disposing the waste.	
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory established the policy on recording client's requirements and legislation in the destination countries regarding environment and chemical issues and Ms. Xiaomei Xu/ HR Manager was responsible for the records maintenance of the hazardous chemicals.	
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory established the policy related to reduction the water consumption and discharge, waste, energy and green-house gas emissions.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory established the environment protection policy which included the waste recycling.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory used relevant tools such as water meter, ammeter to measure and monitor consumption of the key utilities.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory communicated the social responsibility manual with business parties which also included the environmental expectations aspect and let the qualified supplier sign on the commitment.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _January 2019 to December 2019_	Current Year: Please state period: __ January 2020 to June 2020__
Electricity Usage: Kw/hrs	251,300	100,120
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	N/A	N/A

Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> Local water supply company 	<ul style="list-style-type: none"> Local water supply company
Water Volume Used: <i>(m³)</i>	1,673 m ³	784 m ³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> Sewage disposal plant 	<ul style="list-style-type: none"> Sewage disposal plant
Water Volume Discharged: <i>(m³)</i>	1,323 m ³	621 m ³
Water Volume Recycled: <i>(m³)</i>	0	0
Total waste Produced <i>(please state units)</i>	36,200kg	16,300kg
Total hazardous waste Produced: <i>(please state units)</i>	2,100kg	600 kg
Waste to Recycling: <i>(please state units)</i>	35,300kg	16,100kg
Waste to Landfill: <i>(please state units)</i>	900kg	200kg
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	5,000,000 sets	2,030,000 sets

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established their own policy about business ethics and conveyed to relevant parties, such as employees whose job roles carried a higher level of risk in the area of ethical business practice and all suppliers.
2. The factory also conveyed the business ethics to their supply chain and they would conduct supplier assessment on business ethics periodically. During the audit, the signed supplier commitment on business ethics and the supplier assessment on business ethics were provided for review.
3. Ms. Xiaomei Xu/ HR Manager was designated to be responsible for business ethics in the facility and the factory also established the procedure of reporting business ethics. The reporter information would be kept confidential.
4. The factory had established reporting measures regarding unethical business practices such as suggestion box, email and anonymity complaint hotline.
5. Relevant laws and regulation on business ethic were collected regularly, and the factory had established the policy upon the laws.
6. The policy of concerning bribery, corruption, or unethical Business Practice was delivered to relevant parties.

7. The factory also signed the anti-corruption commitment with the relevant parties.

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

Details:

Factory policy on business ethics, Supplier assessment records and signed supplier commitment, Communication records about business ethics with relevant employees, Ethics business reporting procedure

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

None was observed

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

Nil

2. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

None was observed

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

Nil

Objective evidence observed:

N/A

Observation

Description of observation:

None was observed

Local law and/or ETI /Additional Elements requirement:

N/A

Comments:

Nil

Objective evidence observed:

N/A

Good examples observed:

Description of Good Example (GE):

None was observed

Objective evidence observed:

	N/A
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<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details:</p> <ol style="list-style-type: none"> 1. The factory established their own policy about business ethics and conveyed to relevant parties, such as employees whose job roles carried a higher level of risk in the area of ethical business practice and all suppliers. 2. The factory also conveyed the business ethics to their supply chain and they would conduct supplier assessment on business ethics periodically. During the audit, the signed supplier commitment on business ethics and the supplier assessment on business ethics were provided for review.
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: the factory provided the trainings to relevant parties on business ethics issues and training records with signature was provided for review.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: The policy would be updated annually.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: To make sure the business ethics was effectively implemented, the factory required the third parties to complete their own business ethics training.</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1

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

Not Applicable please x

Photo Form

<p>Factory nameplate</p>	<p>Factory entrance</p>	<p>Production building</p>
<p>Printing</p>	<p>Cutting</p>	<p>Assembly</p>
<p>Inspection</p>	<p>Packing</p>	<p>Finished- goods material warehouse</p>

<p>Chemical warehouse</p>	<p>Fire hydrant</p>	<p>Fire extinguishers</p>
<p>Fire alarm</p>	<p>Emergency light and exit sign</p>	<p>Evacuation map</p>
<p>Eye wash equipment</p>	<p>Emergency assembly point</p>	<p>Attendance machine</p>
<p>Suggestion box</p>	<p>Drinking water</p>	<p>Toilet</p>

		
<p>First aid kit</p>	<p>ETI posted</p>	<p>PPE used</p>

		
<p>Business license</p>	<p>Lease contract</p>	<p>Environmental management manual</p>

		
<p>Social responsibility manual</p>	<p>Employee manual</p>	<p>Anti- bribery procedure</p>

		
Social insurance summary sheet	Commercial insurance receipt	Construction project completion acceptance report

		
Fire protection completion acceptance report	Environment Impact registration form	Environmental Impact Assessment approval

		
Environmental protection facilities completion acceptance approval	Employee roster	Attendance record

Payroll	Personnel file & ID copy	Labour contract

Labour contract	Fire drill	Fire drill

Training records	Internal audit report	Employee representative election record

<p>Worker representatives meeting</p>	<p>Drinking water testing report</p>	<p>The monitoring report of environment</p>

<p>Hazardous waste disposal contract</p>	<p>Hazardous waste transfer manifest records</p>	<p>Occupational health factor testing report</p>

<p>Cargo lift inspection report</p>	<p>Forklift inspection report</p>	<p>First aider certificate</p>

<p>Firefighters certificate</p>	<p>Safety manager certificate</p>	<p>Electrician</p>

<p>Cargo lift management certificate</p>	<p>Fork operator certificate</p>	<p>ISO 9001 Certificate</p>

NC Photo:

		<p>Nil</p>
<p>NC Photo 01: The factory did not update the relevant law, such as regulations on the safety administration of hazardous chemicals (2011), it most updated version should be Regulations on the safety administration of hazardous chemicals (2013).</p>	<p>NC Photo 02: There was no label for chemical (such as glue) used in production workshop.</p>	



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

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

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

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