




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1023011	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1065205	
Business name (Company name):	HUGO WAY GLOBAL LIMITED			
Site name:	Hua Way Metal Handcraft Factory			
Site address: <i>(Please include full address)</i>	Buliding-3-032, Yinan Industry Area, Yongning Industrial Road, Xiaolan Town, Zhongshan City, Guangdong Province, China	Country:	China	
Site contact and job title:	Mr. Will CHEN / Sales Manager			
Site phone:	86-760-22229599	Site e-mail:	Will@hugoway.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:	8 th -9 th July 2019			

Audit Company Name & Logo: 	Report Owner (payer): HUGO WAY GLOBAL LIMITED
--	---

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): Ms. Tina Zhu/Auditor
 Lead auditor: Ms. Tina Zhu/Auditor APSCA number: RA 21700701
 Lead auditor APSCA status: RA
 Team auditor: Nil APSCA number: Nil
 Interviewers: Ms. Tina Zhu/Auditor APSCA number: RA 21700701

Report writer: Ms. Tina Zhu/Auditor
 Report reviewer: Kevin Zhong

Date of declaration: 9th July 2019

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

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

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> None observed
0B	Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	5	0	0	<ul style="list-style-type: none"> Employees did not properly wear PPE (Personal Protective Equipment). Lack of safety devices. No safety label for hazardous chemical. Safety facilities for hazardous chemicals were not compliant with legal requirement.

									<ul style="list-style-type: none"> The facility did not conduct evaluation on occupational hazard factors.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Insufficient social insurance participated.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Overtime hours exceeded the legal requirement.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed

10B2	<u>Environment 2-Pillar</u>		<input 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> The facility did not perform monitoring tests for pollutants
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed

General observations and summary of the site:

Site Summary

Overall responsibility for meeting the standards was taken by Mr. Zhang Cheng / Sales Manager.

The peak season was not obvious.

There was a total of 87 employees on site (78 migrant employees and 9 local employees, all were permanent). Migrant employees were from Henan, Guangxi and Hunan.

The youngest employee on site was 20 years old.

There was a worker committee in the facility, but no union was existed.

There was evidence of both male and female in management and among supervisor. The distribution was male 70%, female 30%.

10 employees were randomly selected for interview including 5 male employees and 5 female employees; they were interviewed as 1 group of 4 employees per group and the balance of 6 employees were interviewed individually. Besides, other 2 employees (including one manager from sales department and one manager from admin department) were selected for the individual interview.

Payrolls for the period from June 2018 to May 2019 and attendance records for the period from 1st June 2018 to 9th July 2019 (audit day) were provided for review. Randomly sampled 10 employees' payrolls and attendance records from May 2019 (current month), December 2018 (random month) and September 2018(random month) respectively for further checking on status of wages and working hours.

According to the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week.

According to the provided attendance records and payrolls, overtime working was paid correctly.

The maximum weekly working hours were 60 hours per week based on the sampled attendance records.

According to the provided attendance records, the status of overtime hours in sample was as below:

84 hours/month in May 2019 (current month)

92 hours/month in December 2018 (random month)
88 hours/month in September 2018 (random month)

Issues Found

NC's

3.

Employees did not properly wear PPE (Personal Protective Equipment). During facility tour, auditor found that 3 out of 8 employees working in the silkscreen and spot workshop at flat production building did not wear rubber gloves which were provided by facility.

Lack of safety devices. During facility tour, auditor found that the clearances for 2 fans were too large, that can cause finger injury.

No safety label for hazardous chemical. During facility tour, auditor found that there was no safety label for chemical (such as paint) stored at coloring workshop.

Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that hazardous chemicals such as such as paint (Total volume was around 200 L) were stored in coloring workshop, but there was no secondary containment.

The facility did not conduct evaluation on occupational hazard factors. During facility tour, auditor found that hazardous factors existed in punching and casting workshop with noise, polishing workshop with dust, coloring and silkscreen workshop where hazardous chemicals including benzene, methylbenzene and dimethylbenzene were used. However, the facility could not provide evaluation report of occupational hazardous factors in 2018 or 2019 for review.

5.

Insufficient social insurance participated. Through social receipt of June 2019 review, auditor found that only 59 out of 87 employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance.

6.

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of all 10 randomly selected employees were 84 hours in May 2019(Current month), all 10 randomly selected employees were 92 hours in December 2018(Random month) and all 26 randomly selected employees were 88 hours in September 2018 (Random month).

10B4

The facility did not perform monitoring tests for pollutants. During facility tour, auditor found that the wastewater and waste gas were generated from punching, casting, polishing, coloring and silkscreen workshop. However, the facility could not provide monitoring report of wastewater and waste gas for review.

Observation
None observed

GE
None observed

Additional Auditor Remark:
None

**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:	HUGO WAY GLOBAL LIMITED							
B: Site name:	Hua Way Metal Handcraft Factory							
C: GPS location: (If available)	GPS Address: Buliding-3-032, Yinan Industry Area, Yongning Industrial Road, Xiaolan Town, Zhongshan City, Guangdong Province, China	Latitude: 22.6536525415 Longitude: 113.2168315327						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No.: 914420005744829341 Valid Date: From 27 th April 2011 to Long term							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Metals badge							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Hua Way Metal Handcraft Factory was located at Buliding-3-032, Yinan Industry Area, Yongning Industrial Road, Xiaolan Town, Zhongshan City, Guangdong Province, China. They have been in their operation at the existing location since April 2011.</p> <p>A total of 87 employees including 40 female employees and 47 male employees were currently working in the facility. The ages ranged from 20-58 years old. There were 71 production employees and 16 non-production employees. There were 78 migrant employees and 9 local employees. Migrant employees came from Henan, Guangxi and Hunan province in China.</p> <p>The employees worked for 5 days a week in 1 shift. The normal working hour was from 08:00 to 17:30 with 1.5 hours' lunch break from 12:00 to 13:30. IC card system was used for time keeping. Employees' wages were calculated on hourly basis and paid on or before 15th of each month. As per the facility management, the peak season was not obvious.</p> <p>In view of the facility, the facility consisted of one flat building and parts of another flat building which were used as warehouse, office and production workshops. No dormitory or kitchen is available for employees.</p> <p>For building details, please refer to below tables:</p> <table border="1"> <thead> <tr> <th>Production building #1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Office, Coloring, Silkscreen, Assembly,</td> <td>Size: 1350 square meters.</td> </tr> </tbody> </table>		Production building #1	Description	Remark, if any	Floor 1	Office, Coloring, Silkscreen, Assembly,	Size: 1350 square meters.
Production building #1	Description	Remark, if any						
Floor 1	Office, Coloring, Silkscreen, Assembly,	Size: 1350 square meters.						

		Inspection, Warehouse	Packing,	Construction year: 2006
	Is this a shared building?	No		None
	Production building #2	Description		Remark, if any
	Floor 1	Audited facility: Office, Casting, Punching, Polishing, Warehouse Another: Mould		Size: 1400 square meters. Construction year: 2006
	Is this a shared building?	Yes	Parts of one flat building was rented by another person, they used as mould produce. The audited facility had provided lease contract for review. Meanwhile, during on-site tour, two employees stated that they were not belonged to audited facility.	
<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: During facility tour, no crack of building 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: The facility obtained the report of construction completion acceptance and provided for review.</p>				
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House			

	<input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	As per the facility management, the peak season was not obvious.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main products manufactured by the facility were Metals badge.</p> <p>The main production processes include Casting, Punching, Polishing, Coloring, Assembly, Inspection, Packing.</p> <p>The main equipment used: There were total 94 sets, such as punching machines 15 sets, polishing machines 14 sets, silkscreen machines 7 sets, oven machines 26 sets.</p>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A, no dormitory provided in the facility.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 9:50 Day 1 Time out: 17:50	Day 2 Time in: 9:55 Day 2 Time out: 14:00	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1.5 mandays (one auditor in 1.5 days)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Zhang Cheng / Sales Manager		
H: Is further information available (if yes, please contact audit company for details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	1 st to 2 nd August 2018		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

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

C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A, the worker representative was presented.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	N/A, there was no union in the facility.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	4	0	0	43	0	0	0	47
Worker numbers – female	5	0	0	35	0	0	0	40
Total	9	0	0	78	0	0	0	87
Number of Workers interviewed – male	1	0	0	4	0	0	0	5
Number of Workers interviewed – female	1	0	0	4	0	0	0	5
Total – interviewed sample size	2	0	0	8	0	0	0	10



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



Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 members including 1 female employee and 3 male employees.	
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 N/A	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	None	
I: What did the workers like the most about working at this site?	Working environment was comfortable and wages were legal.	
J: Any additional comment(s) regarding interviews:	The facility management was kind to them.	
K: Attitude of workers to hours worked:	Through employees' interview, overtime was voluntary.	
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: <i>(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk</i>		

10 employees were randomly selected for interview including 5 male employees and 5 female employees; they were interviewed as 1 group of 4 employees and the balance of 6 employees were interviewed individually.

The employees were assured of confidentiality and they spoke freely of their views of the facility.

Through employees' interviews, it was noted that all employees were satisfied with the facility and no negative information was raised.

They were able to make suggestions to their managers, supervisors and team leaders through suggestion box, phone calls, phone messages, emails, wechat, etc., and sometimes they had seen these suggestions used.

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 employee representatives were satisfied with working condition and management system and no negative information was raised.

O: Attitude of managers:

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

The management was cooperative throughout the process of the audit. All necessary areas were allowed access for tour, and a private room was arranged for employees' interview.

Mr. Xu Hongshou/Facility director was responsible for implementing legal and code standards, and he was in charge of the independent and internal audits. The facility managements were interested in audit process and were able to discuss the found issues in open and honest manner. In the closing meeting, the management appeared receptive to the current findings and did not raise any negative feedback.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The facility had established a policy of social compliance which was endorsed at the highest level. The policy was communicated to all appropriate parties, including its own suppliers.

Mr. Xu Hongshou/Facility director was assigned to be responsible for implementing standards concerning human rights.

Stakeholders were identified by the facility.

The facility had measured impacts on stakeholders' human rights.

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

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

Details:

Policy of social responsibilities

Appointment letter

Stakeholders mapping

Grievance reporting procedure

Management and employees' interview

Any other comments:

None

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Please give details (mainly applicable for the parent company): The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. Name: Mr. Xu Hongshou Job title: Facility director
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The reporter's personal information would not be revealed, and the reporting practice would never effect the working arrangement or promotion/position. Moreover, the employees also could express their concern by suggestion box with anonymity without fear of reprisals towards the reporter.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details: The facility had established grievance reporting system such as suggestion box available and direct talk to management.
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility had established privacy data protection procedure for employees' information. All personal files were kept and controlled by HR department.

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

Comments: Not applicable	
------------------------------------	--

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: None observed

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: __14__%	A2: This year __11__%
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]	8%	
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: __0__%	C2: This year __0__%
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: According to accident management procedure, all accidents will be investigated and recorded. As per management interview, no accident happened in the last 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 0% Number: 0	F2: This year: 0% Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0%	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___0___% workers	J2: 12 months ___0___% workers
---	----------------------------------	-----------------------------------

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:

The facility implemented and maintained systems for delivering compliance to this Code.

- Overall responsibility for meeting the standards was taken by Mr. Xu Hongshou/Facility director.
- There was an internal audit team for internal audit of the social standards of the facility and they report to the general manager to report their findings.
- Implementation of any necessary changes was then given to the individual department heads after agreement with the general manager.
- There was an internal audit team for quality who in addition take on the role for internal audit of the social standards of the facility and they report to the personnel and Health & Safety manager jointly to report their findings.
- The ETI based code was posted on-site for employees' review.
- Implementation of any necessary changes was then given to the individual department heads after agreement with the facility management, this system was fully effective.

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

Details:

- A CSR manual created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.
- Internal audit documents (e.g. annual audit reports) from the internal audit team.
- Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
- Training records for employees.
- Management interview and employee interview.

Any other comments:

None

Management Systems:

<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: Through online checking, no fine or prosecution for non-compliance to any regulation was found in the facility.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had established and implemented the policies and procedures for forced labour, child labour, discrimination, harassment and abuse, and the facility had provided relevant trainings for workers</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Yes. The facility had established and implemented the policies and procedures for forced labour, child labour, discrimination, harassment and abuse. No non-compliance regarding forced labour, child labour, discrimination, harassment or abuse was found in the facility. There were both female and male among managers and supervisors.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility provided regular trainings (upon hiring and annually afterwards) about the standards of forced labour, child labour, discrimination, harassment and abuse for both management and workers, which was confirmed by the provided training records and interviews with both management and workers</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Yes. Regular training records were provided for review. The employees were aware clearly of the facility's relevant policies and procedures about forced labour, child labour, discrimination, harassment and abuse according to the interviews, and no such case happened before.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: Facility did not obtain the relevant certificates.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	G1: Please give details: Please give details: The facility had Human Resources department which in charge of the recruitment of workers, assignment of employees' post, etc.
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: The appointed senior management responsible for compliance with the Code was Mr. Xu Hongshou/Facility director
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 facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and 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: All employees' personal information would be kept and only accessed by authorized staff, such as HR.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment was conducted annually by the facility to evaluate the effectiveness of the policy and procedure for safeguarding workers' confidential and private data and information.
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: There was an internal audit team for internal audit including risk assessment of the social standards of the facility. According to the risk assessment report, the facility had a process to reduce identified risks.
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 facility had its supplier selecting policy and procedure to ensure all suppliers were in compliance with the labour standards and this code. The facility communicated the code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments.
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 facility had provided the valid land using permit and the property ownership certificate of the facility buildings for reviewing.
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 facility had system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility had compensated the owner for the land prior to the facility being built.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable, the facility did not have plan of land acquisition.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No such evidence was found in the audit. There was no illegal appropriation of land for facility building or expansion of footprint

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

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

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

The employees were employed on a voluntary basis and free to leave the facility or resigning.

- The facility did not withhold any employees' ID cards.
- The facility did not limit the employees' freedom or lock any exit of the facility during working time.
- The facility did not require any payment for work tools, uniforms, PPE, training, etc.
- There was no any hint that the facility used prison labour.
- The facility has a written policy of prohibiting forced, bonded and prison labor. The policy states that the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; the facility prohibits forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice, etc.
- Security guards stated that they must not prevent employees from leaving the premises outside of working hours and where they were conducting searches that this was at the request of management, was done on a sample basis and was performed discretely and without significant delay to employees leaving at the end of shift.

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

Details:

- Policy of prohibiting forced, bonded and prison labor
- Recruitment procedure
- Employee handbook
- Personnel files and labor contracts
- Resignation records
- Contracts for security guards
- Onsite observation, management interview and employee interview

Any other comments:

None

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

	B1: If yes, please give details and category of worker affected: N/A
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there 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: Remark: the audited facility was not UK based or registered and turnover was less than 36m+, so modern day slavery statement was not required for the audited facility.
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: Not applicable Remark: There was no any restriction on workers' freedoms to leave the site at the end of the work day. According to the onsite observation and worker interviews, the workers are free to leave the workplace after their working hours every day.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The facility communicated the ETI Code to all suppliers/subcontractor and monitored their performance of social compliance.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility gave training on prohibition of forced / trafficked labour to all employees and conducted internal audit annually to reduce the risk of forced / trafficked labour.

Non-compliance:

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

Observation:	
Description of observation: None observed Local law or ETI requirement: None observed Comments: None observed	Objective evidence observed: None observed

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the employees were free to form or join trade union or workers' organisation and enjoy the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organisation, etc.
- The facility had a written policy about suggestions and appeals, which stated that the employees were able to make suggestions/appeals to their managers, supervisors and team leaders through suggestion box, phone calls, etc.
- There was a committee representative in the facility.
- There was no union at the site.
- The response records for employees' suggestions and appeals were available for review.

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

Details:

- Policy of freedom of association and right to collective bargaining
- Policy about suggestions and appeals
- Response records for employees' suggestions and appeals
- Interviews with management and employees

Any other comments:

Nil

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

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

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

- ☐ 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: Suggestion box was in place. 4 employees' representatives were freely elected and hold meeting with management half year. 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 facility provided adequate facilities such as meeting room to allow employee representatives to conduct related business.	
F: Name of union and union representative, if applicable:	Not applicable. No union existed in facility.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	4 employee's representatives were freely elected.	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: 15 th June 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: 1 employee representative was interviewed during this 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.	The last meeting between worker representatives and management was conducted on 17 th May 2019 was provided for review, with the topic about benefit and etc. The meeting minutes were communicated to employees.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in this facility.	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA	M2: ____% workers covered by worker rep CBA

	N/A. No Collective Bargaining Agreement in this facility.	N/A. No Collective Bargaining Agreement in this facility.
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in this facility.	

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

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

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

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:

General Health and Safety management

- Written Health and Safety Policy and Health and Safety Manual were available.
- Mr. Xu Hongshou/Facility director was appointed as Health & Safety Management for the site.
- Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S supervisor, and each point was acted on.
- Potable water was freely available in all areas.
- Sufficient clean toilets segregated by gender were available at all times to employees.
- Ventilation, temperature and lighting were adequate for the workplaces.
- Accident reports were available.

2. Fire Safety

- In production building, there were adequate exits from each work area and all the exits were clearly marked.
- Fire-fighting equipment monthly inspection records were available.
- Evacuation routes were unblocked.
- "No smoking signs" were available throughout the factory.
- Evacuation maps were posted in all areas and understood by all employees interviewed.
- Fire drills were organised and recorded every 6 months.
- The fire alarm and fire hydrant had had been installed the building.

3. Electrical safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There was one electrician with valid license in the facility.

4. Chemical safety

- Employees using chemical had been trained on correct handling procedures as well as what to do in an emergency.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were first aiders and they had been trained at a local hospital.

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

Details:

- Health and safety policy
- Health and safety manual
- Appointment document for the Health and Safety Supervisor
- Health and safety committee minutes
- Toilet cleaning records
- Fire certificate record
- Report of construction completion acceptance for building
- Accident reports
- PPE issuing and receiving records
- Fire equipment monthly maintenance and inspection records
- Fire drill records
- Trained first aiders' certificates
- The certificate of the electrician
- Chemical list and MSDS for chemical
- Onsite observation
- Interviews with management
- Interviews with employees

Any other comments:

None

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>A1: Please give details: The facility had established and implemented the valid Health and Safety policies and procedures covering the occupational health and safety section, and provided the pre-work and annual trainings on the subject of the Health and Safety policies and procedures to all workers, which was confirmed by the provided training records and worker interviews.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The facility had established and implemented the valid Health and Safety policies and procedures covering the occupational health and safety section, which was included in the worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>C1: Please give details: No such case noted during on site observation and document review. Valid construction safety certificates were available for the buildings in the facility.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	D1: Please give details: All visitors to the facility were informed on the facility's health and safety policy and procedure and provided with adequate personal protective equipment.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room or medical facility was provided for the workers and there was no such legal requirement for the facility. But there was a hospital nearby the facility
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No doctor or nurse was available on site, but first aid kits were provided on each floor and trained first aiders were available in the facility
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Not applicable, the facility did not provide transportation to the employees.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A, no living space provided for all 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: The facility had conducted H & S risk assessment annually and relevant records was in place.
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 facility was meeting its legal obligations on environmental requirements.
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 facility met its customer requirements on environmental standards. The facility had the internal audit team and the internal audit team conducted regular internal inspections and audits against the updated & strictest environmental and chemical requirements and standards, if any violation about environment or chemical was found, the internal audit team would analyse the root cause, take corrective and preventive actions accordingly. No banned chemical was used by this facility.

Non-compliance:

1. Description of non-compliance:

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

Employees did not properly wear PPE (Personal Protective Equipment). During facility tour, auditor found that 3 out of 8 employees working in the silkscreen and spot workshop at flat production building did not wear rubber gloves which were provided by facility.

Local law and/or ETI requirement

In accordance with Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees.

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

ETI 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

Recommended corrective action:

It is recommended that the facility should supervise and train the employees on properly wearing PPE.

Objective evidence observed:

Onsite observation

Please refer to the NC photo 1

2. Description of non-compliance:

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

Lack of safety devices. During facility tour, auditor found that the clearances for 2 fans were too large, that can cause finger injury.

Local law and/or ETI requirement:

In accordance with Law of the PRC on Work Safety article 33, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards.

Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.

ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that safety devices should be equipped to machines to comply with the law.

Objective evidence observed:

Onsite observation

Please refer to the NC photo 3

3. Description of non-compliance:

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

Objective evidence observed:

Onsite observation

No safety label for hazardous chemical. During facility tour, auditor found that there was no safety label for chemical (such as paint) stored at coloring workshop.

Local law and/or ETI requirement:

In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that safety labels should be attached for all hazardous chemicals for identification.

4. Description of non-compliance:

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

Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that hazardous chemicals such as such as paint (Total volume was around 200 L) were stored in coloring workshop, but there was no secondary containment.

Local law and/or ETI requirement:

In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.

ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

Please refer to the NC photo 2

Objective evidence observed:

Onsite observation

Please refer to the NC photo 2

It is recommended that the facility should set up the corresponding safety facilities and equipments in chemical warehouse for hazardous chemicals as per legal requirement.

5. Description of non-compliance:

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

The facility did not conduct evaluation on occupational hazard factors. During facility tour, auditor found that hazardous factors existed in punching and casting workshop with noise, polishing workshop with dust, coloring and silkscreen workshop where hazardous chemicals including benzene, methylbenzene and dimethylbenzene were used. However, the facility could not provide evaluation report of occupational hazardous factors in 2018 or 2019 for review.

Local law and/or ETI requirement:

In accordance with Provisions on the Supervision and Administration of Workplace Occupational Health Article 20, An employing entity with occupational hazards shall entrust an occupational health technical service agency with corresponding qualification to conduct evaluation on occupational hazard factors at least once every year. An employing entity with severe occupational hazards shall, in addition to the above requirement, entrusts an occupational health technical service agency with corresponding qualification to conduct assessment on occupational hazard status at least once every three years. The results of the evaluation and assessment shall be kept in archive, reported to local administration department of work safety, and announced to the workers.

ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that the facility should conduct evaluation on occupational hazards factors at least once a year and keep the reports for review.

Objective evidence observed:

Onsite observation and document review.

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

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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:

- There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers; and the facility would never employ and use any child labour under the age of 16 years old.
- There was a written juvenile worker and pregnant worker protection procedure in place.
- There was a written child labour remediation procedure though there was no child labour in the facility.
- The written worker roster was available.
- The worker' personnel files included recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy listed the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 20 years old.
- Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old

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

Details:

- Recruitment procedure
- Juvenile worker and pregnant worker protection procedure
- Child labour remediation procedure
- Worker roster
- Personnel files
- Management interview and worker interview

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker was 20 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details Not applicable (there was no worker under 18 years old).

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

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

Good Examples observed:

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The local minimum wage standard was set at 1720 per month equivalent to RMB 9.88 per hour (1720/21.75/8) since 1st July 2018, 1510 per month equivalent to RMB 8.68 per hour (1510/21.75/8) before 1st July 2018
- All employees' wages were calculated by hourly rate.
- Overtime wages were paid at legal premium rate.
- All employees 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.
- Benefit of paid annual leave was given to all employees and child-bearing leave to appropriate female employees.
- All employees were paid at end of next month and each employee was given a pay slip and signed for their wages.

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

Details:

- Wage & benefit policy and controlling procedure
- Training records about wage and benefit policy and controlling procedure
- Local legal minimum wage documents
- Labour contracts for all workers
- Payroll records from June 2018 to May 2019 (current month) and attendance records from 1st June 2018 to 9th July 2019 (the audit day) were available for review.
- Social insurance payment receipts from the local authority
- Leave records
- Resignation records

- Production records such as daily production records, QC inspection records and material receiving and issuing records were reviewed.
- Employees interview and management interview.

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Insufficient social insurance participated. Through social receipt of June 2019 review, auditor found that only 59 out of 87 employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance.

Local law and/or ETI requirement:

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

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

Recommended corrective action:

It is recommended that the facility should ensure all employees participate in social insurance according to the Law.

Objective evidence observed:
Social insurance receipt, management and employees' interview.

Observation:

1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement:

Objective evidence observed:
(where relevant please add photo numbers)
Not applicable

Not applicable	
Recommended corrective action: Not applicable	

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

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no Collective Bargaining Agreement in the facility)
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day and 36 hours per month	B1: Daily overtime hours: 2 hours for all sampled months. Weekly overtime hours: 20 hours for all sampled months. Monthly overtime hours: 84 hours/ month in May 2019 (current month) 92 hours/ month in December 2018 (random month) 88 hours/ month in September	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no Collective Bargaining Agreement in the facility)

		2018 (random month)	
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: The local minimum wage standard was set at 1720 per month equivalent to RMB 9.88 per hour (1720/21.75/8) since 1 st July 2018, 1510 per month equivalent to RMB 8.68 per hour (1510/21.75/8) before 1 st July 2018	C1: RMB 9.88 per hour	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no Collective Bargaining Agreement in the facility)
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 1) No less than 150% of the normal wages for overtime working on normal weekdays; 2) no less than 200% of the normal wages for overtime working on rest day if no deferred rest can be taken; 3) no less than 300% of the normal wages for overtime working on statutory holidays	D1: 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no Collective Bargaining Agreement in the facility)

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?	Not applicable (the accurate records were shown in the audit).		
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from May 2019 (current month); 10 samples from December 2018 (random month); 10 samples from September 2018 (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: Not applicable (there were no different legal minimum wage grades).	
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: Not applicable (there were no different legal minimum wage grades).	
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 checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. RMB 9.88 per hour	
F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: __100__% of workforce earning minimum wage F3: ____% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: post bonus, housing allowance and full attendance bonus: RMB 780-1280 per month Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance: basic endowment insurance, unemployment insurance, maternity insurance, basic medical insurance and employment injury insurance. Personal income tax		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Social insurance fees 2. Personal income tax Please describe: Nil
		I2: Please list all deductions that have not been made.	1. N/A Please describe: N/A
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The attendance records reflected all time worked including the normal working hours and the overtime hours. The meetings were arranged during the time of work shift, the time for meetings was regarded as working time and paid legally by the facility.	
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: Not applicable (there was not a defined living wage).	
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: Not applicable	
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 Details: N/A	
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The workers' wages including normal wages and overtime wages etc. of one month was paid on or before the 15 th day of the following month.	
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through facility rules review, payroll records review and worker interviews, it was confirmed that equal rates were being paid for equal work.	
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain: Not applicable	

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:

- Working time policy and controlling procedure were established and implemented in the facility.
- Overtime was voluntary.
- Electrical card system was used for time keeping.
- According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week.
- According to provided attendance records, total overtime was above 36 hours per month (max in sample 92 hours/month), which was due to policy not followed.
- In sampled months, the max weekly working hours were 60 hours per week.

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

Details:

- Working time policy and controlling procedure

- Voluntary overtime policy
- Labour contracts
- Local and national laws
- Training records about working time policy and controlling procedure
- Payroll records from June 2018 to May 2019 (current month) and attendance records from 1st June 2018 to 9th July 2019 (the audit day) were available for review.
- Production records such as daily production records, QC inspection records and material receiving and issuing records were reviewed.
- Sampled pay slips with recorded hours of all workers interviewed
- Employees interview and management interview.

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of all 10 randomly selected employees were 84 hours in May 2019 (Current month), all 10 randomly selected employees were 92 hours in December 2018 (Random month) and all 10 randomly selected employees were 88 hours in September 2018 (Random month).

Local law and/or ETI requirement:

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

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

Recommended corrective action:

It is recommended that the facility should reduce the workers' overtime hours and ensure the workers' overtime hours are within legal requirements.

Objective evidence observed:

(where relevant please add photo numbers)

Attendance records and payroll records review, employees' interview

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Objective evidence observed:

Not applicable

Comments: Not applicable	
------------------------------------	--

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

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: The workers' attendances were recorded by paper timecard system and the shift start time and shift end time were recorded accordingly.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details N/A				
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:			
		<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: Not applicable (the standard/contracted normal working hours were 8 hours per day and 40 hours per week).			

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):	
	All sampled employees' maximum worked consecutively 6 days during the sampled months.	
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:
		Not applicable (the normal working hours were 8 hours per day and 40 hours per week)
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:
		Not applicable (there was no any working time waiver).
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Daily overtime hours: 2 hours/ day in May 2019 (current month) 2 hours/ day in December 2018 (random month) 2 hours / day in September 2018 (random month) Weekly overtime hours 20 hours/ week in May 2019 (current month) 20 hours/ week in December 2018 (random month) 20 hours/ week in September 2018 (random month) Monthly overtime hours: 84 hours/ month in May 2019 (current month) 92 hours/ month in December 2018 (random month) 88 hours/ month in September 2018 (random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total	__100__%	

workers on highest overtime hours:		
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: The voluntary overtime policy was provided for review. Regular trainings on voluntary overtime policy were provided for all workers. Through worker interview and documentation review, it was confirmed that overtime was voluntary. The workers can refuse the overtime arrangement without any punishment or negative impact.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 150% of the normal wages were provided for the overtime hours on weekdays in the sampled months.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% employees paid at legal premium rate monthly. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other Not applicable	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	Not applicable	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	

	N/A. Based on the sample attendance records, the maximum weekly working hours were 60 hours.
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: According to management interview, overtime hours were caused by labour shortages and tight delivery date of the purchase orders.
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A, no such circumstance per management interview

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:

The factory had anti-discrimination policy and procedure.

- The regular trainings on anti-discrimination were provided to the workers.
- All interviewed workers spoke highly of the employer;
- No worker was required to do the examination of the hepatitis B virus and HIV;
- No female worker was required to do the examination of pregnant test.
- Gender divisions did not exist in the facility; both female and male workers were distributed in all types of work.
- There was no evidence of sexual harassment.
- 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 or workers' organisation membership or political affiliation was found in the factory.
- There was an internal grievance process, all sampled workers were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

- The anti-discrimination policy and procedure;
- The regular training records on anti-discrimination;
- The hiring and termination procedure, leave application records and employing handbook.
- Payrolls
- Attendance records
- Termination records
- Management interview and employees' interview

Any other comments:

None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __70__ % A2: Female __30__ %
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 There was no job that specific qualification was needed in the facility.

<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>	<div style="display: flex; flex-direction: column;"> <div style="margin-bottom: 10px;"> <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 type="checkbox"/> No evidence of discrimination found </div> <div> <p>C1: Please give details: Not applicable (no any discrimination about hiring, compensation, access to training, promotion, termination or retirement was found).</p> </div> </div>
---	--

Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>The on-going work skill trainings were available for all workers to progress and develop. The criteria for promotion, training and compensation are equal, fair and transparent for all workers.</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<div style="display: flex; flex-direction: column;"> <div style="margin-bottom: 10px;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <div> <p>If no, please give details: Not applicable.</p> </div> </div>
---	--

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

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

Good Examples observed:

Description of Good Example (GE):
None observed

**Objective Evidence
Observed:**
Not applicable

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:

- The facility signed labor contracts with all employees and the terms and conditions stated in the contracts complied with local laws. All employees received copies of the contracts of employment.
- All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
- One subcontractor was used.
- No home-working existed in the facility.

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

Details:

- The hiring and termination procedure
- Personal files including a copy of employee's contract
- Payroll records were provided for review.
- Management interview and employee interview

Any other comments:

None

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

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

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

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: not applicable (no negative condition was found about it).
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: not applicable (workers need not pay any fee, taxes, deposit or bond at any stage of the employment).
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: Not applicable
D: If any checked, give details:	Not applicable

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 process.	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable (there was no such kind of deduction from the employees' wages).	C2: Observations: Not applicable (there was no such kind of deduction from the workers' wages).
D: Are Any migrant workers in skilled, technical, or management roles	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	D1: If yes, number and example of roles: 8 management staffs were migrant employee.
--	---

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no non-employee worker in the facility).
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: Not applicable (there was no non-employee worker in the facility).
C: If any checked, give details:	Not applicable (there was no non-employee worker in the facility).

Agency Workers (if applicable) (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.)	
A: Number of agencies used (average):	0 A1: Names if available: Not applicable (there was no agency worker in the facility).
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no agency worker in the facility).
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no agency worker in the facility).

D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Not applicable (there was no agency worker in the facility).
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: Not applicable (there was no agency worker in the facility).

<p align="center">Contractors:</p> <p><i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p>	
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: Not applicable (there was no contractor in the facility)
B: If Yes , how many workers supplied by contractors?	Not applicable (there was no contractor in the facility)
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable (there was no contractor in the facility)
D: If Yes , please give evidence for contractor workers being paid per law:	Not applicable (there was no contractor in the facility)

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:

- The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.
- During facility tour and management interview, auditor found that the production processes: washing was subcontracted to one subcontractor and obtained written approval from the main client.
- The main facility had QC's who visit the subcontract units on a regular basis to both inform on the quality required and inspect stock before dispatch.
- No Home-working was used by this facility.

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

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

Process Subcontracted	Electroplate
Name of factory	Zhongshan Dongsheng Town Dong Rui Electroplate Co., Ltd Rui Fa Branch.
Address	"Zhao Chang Wei" Yongsheng Village, Dongsheng Town, Zhongshan City.

Details:

- Policy on sub-contracting
- Reviewing of the production records such as materials in/out records.
- Facility tour (Calculation on total production and estimated capacity)
- Management interview and employee interview

Any other comments:

Nil

Non-compliance:

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

Observation:	
Description of observation: None observed Local law or ETI/Additional elements requirement: None applicable Comments: None applicable	Objective evidence observed: None applicable

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

Summary of sub-contracting – if applicable <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: Calculation on total production and estimated capacity
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details: The facility obtained the written approval of main client for the washing subcontractor.
C: Number of sub-contractors/agents used:	1 subcontractor

D: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details: The facility had established a written policy to require its subcontractors making sure all relevant laws or regulations shall be complied.
E: What checks are in place to ensure no child labour is being used and work is safe?	Per the site policy on subcontractors: the facility required that their subcontractors could not use any child labour.

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

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

<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</p> <p>A1: Please give details: The facility had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for its employees, external communities and other stakeholders to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>According to the worker interviews and onsite observation, the workers were aware of these channels and can access these channels freely for reporting any violations without fear of reprisal towards them.</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>The facility had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for its employees, external communities and other stakeholders to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other</p> <p>D1: Please give details: The grievance mechanism included a provision for non-retaliation and it allowed employees to report issues anonymously</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

	E1: If yes, please give details not applicable (there was no any open dispute about it in the facility).
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details: not applicable Remark: according to management interview and document review, the facility provided individuals and communities with access to effective grievance mechanism, and also encouraged its business partners (e.g., suppliers) to do so.
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain not applicable Remark: The transparent disciplinary procedure was established, published and implemented in the facility.
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details not applicable Remark: The transparent disciplinary procedure was communicated to the workers through posting it on notice boards and regular trainings. The interviewed workers knew clearly this disciplinary procedure.
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details not applicable Remark: The facility established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure in the facility.

Current Systems and Evidence Examined

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

Current systems:

- The facility established anti-harsh or anti-inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Employees' interviews confirmed that they were aware of the anti-harsh or inhumane treatment policy, and there was no physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation in the factory.
- The facility established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure in the facility. Employees' interviews confirmed that they were aware of the disciplinary procedure and there was no monetary fine in the factory.
- The anti-harsh or anti-inhumane treatment policy and the disciplinary procedure were communicated to the workers through regular trainings.
- The facility had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers

and email address as well as suggestion box) were available for its employees and other stakeholders to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designated person for it was Ms. Zhen Shuping/ Manager. Employees' interviews confirmed that they were aware of this system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter.

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

Details:

- The anti-harsh or inhumane treatment policy and the disciplinary procedure
- Training records regarding anti-harsh or inhumane treatment policy and disciplinary procedure
- Internal grievance procedure
- Facility tour
- Management interview and worker interview

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)
Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):
None observed

Objective Evidence Observed:
Not applicable

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

- Per document review, facility management representation and worker interview, all workers in the facility were Chinese. The local workers and migrant workers were hired legally and treated equally in the facility. All migrants were mainly come from Henan, Guangxi and Hunan.
- All workers had the proper legal rights to work in this region. The youngest worker was 20 years old.
- No foreign worker was used by the facility.

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

Details:

- Hiring procedure
- Personnel files with labour contracts and ID copies
- Employing handbook
- Facility tour
- Management interview and worker interview

Any other comments:

None

Non-compliance:

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

Observation:	
Description of observation: None observed Local law or ETI/Additional Elements requirement: None applicable Comments: None applicable	Objective evidence observed: None applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: None applicable

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility registered at Sedex and provide the SAQ for review.
- The facility established the environmental protection policy for review.
- The facility had compiled one written significant environmental factors of their site and its processes.
- The facility measured and monitored its energy usage. The facility monitored electricity monthly. Water usage was monitored monthly and a matrix report was kept on file.
- The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents.
- Mr. Xu Hongshou/Facility director of operation was appointed responsible for environmental issues.
- The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

- Environmental protection policy and environment training record were reviewed.
- Employees' interview and Management interview

Non-compliance:

Description of non-compliance:

☒ NC against ETI/Additional Elements

☒ NC against Local Law

☐ NC against customer code:

The facility did not perform monitoring tests for pollutants. During facility tour, auditor found that the wastewater and waste gas were generated from punching, casting, polishing, coloring and silkscreen workshop. However, the facility could not provide monitoring report of wastewater and waste gas for review.

Local law and/or ETI requirement:

Local law: In accordance with Measures for Administration of Environmental Surveillance Article 21 A discharging unit shall self-monitor the situation of pollutant discharge according to the requirements of environmental protection departments above county level and the technical manual of state environmental surveillance. If a discharging unit, conforming to technical manual of state environmental surveillance, is inspected by the environmental surveillance institution under the environmental protection department above county level to meet the requirements on capability and technical conditions, its surveillance data can be used as the basis for identification of the varieties and quantities of pollutants discharged. A discharge unit, without ability for environmental surveillance, shall commission an environmental surveillance institution under the environmental protection department or environmental surveillance institution identified by the environmental protection department at provincial level for surveillance; expenditure of the surveillance performed by an environmental surveillance institution after accepting the commission should be borne by the commissioning party, in accordance with the relevant state regulations. An environmental surveillance institution identified by the environmental protection department at provincial level refers to an institution engaged in environmental surveillance but not under an environmental protection department, which can voluntarily apply to an environmental protection department at provincial level of the locality for the identification that it obtains the appropriate capability of environmental surveillance; if recognized to be qualified, the institution can be regarded as an environmental surveillance institution identified by the environmental protection department at provincial level. An environmental surveillance institution identified by the environmental protection department at provincial level should accept supervision and inspection by the environmental surveillance institution under the environmental protection department of the locality.

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

Recommended corrective action:

It is recommended that the facility should perform monitoring tests for its pollutants regularly.

Objective evidence observed:

Facility tour, document review and management interview.

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

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: None observed

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Xu Hongshou/Facility director
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: Please give details: N/A
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: N/A
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The policy was posted at notice board.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The policy has included their commitment to continuous improvement environmental. performance.
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 gives 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 gives details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility had provided Environmental Impact Registration Form, Environmental Impact Assessment approval, Environmental Protection Acceptance Check for their construction project for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Site had formalized a documentation process for hazardous chemicals used.
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:

	Such system was in place to managing client's requirements and legislation in the destination countries regarding environmental issues.
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 facility had established the reduction targets in place for environmental aspects.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The volume of waste generated and recycled was recorded and monitored on a monthly basis.
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: Such system was in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources.
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 type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: N/A (No Sub-Contracting agencies or business partners operating on the facility's premises.)

Usage/Discharge analysis

Criteria	Previous year: Please state period: _January 2018-December 2018__	Current Year: Please state period: _January 2019-May 2019_____
Electricity Usage: Kw/hrs	40,000	18,000
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	198	90
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: Please list all sources e.g. lake, river, and local water authority.	local water authority	local water authority
Water Volume Used: (m ³)	16,000	7,252
Water Discharged: Please list all receiving waters/recipients.	municipal drainage pipeline	municipal drainage pipeline

Water Volume Discharged: (m ³)	15,840	7,200
Water Volume Recycled: (m ³)	0	0
Total waste Produced (please state units)	27.5 tons	12.5 tons
Total hazardous waste Produced: (please state units)	0.05 ton	0.02 ton
Waste to Recycling: (please state units)	27.55 tons	12.52 tons
Waste to Landfill: (please state units)	0	0
Waste to other: (please give details and state units)	0	0
Total Product Produced (please state units)	10,400,000 pcs	4,500,000 pcs

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The Intertek integrity policy was given to the facility by the auditor. The management acknowledged this, signed it and kept a copy.
- The company manual contained the details of Business Ethics, which were also published on the public board.
- Based on management interview, the facility was familiar with national regulations/laws concerning business integrity standards.
- Business integrity policy was established and communicated to all employees by company manual, employee manual and induction training and regular training.
- Mr. Xu Hongshou/Facility director was appointed responsible for business integrity.
- The facility had a transparent system in place for confidentially reporting, and dealing with unethical Business Practices without fear of reprisals towards the reporter
- The employees had their induction training on business ethics when they first started their job. They had their regular training on business ethics yearly. The admin department determined all job roles categorised by section; through this, employees was identified the level of risk and the admin

department provided ethical training to the staff whose job roles carried a higher level of risk in the area of ethical Business Practice

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

- Company manual and employee manual were reviewed
- Employees' interview and Management interview

Non-compliance:

1. Description of non-compliance:

- ☐ NC against ETI/Additional Elements
☐ NC against customer code:

☐ NC against Local

None observed

Local law and/or ETI/Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation

Description of observation:

None observed

Local law or ETI/Additional elements requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers A1: Please give details: The facility had signed letter of commitment in business ethics with suppliers
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility provided training to relevant personnel (e.g. sales and logistics) on 18 th February 2019.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The policy was updated on 26 th February 2019.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please give details: N/A

Other findings

Other Findings Outside the Scope of the Code
None observed

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

Photo Form

Best Practice Photos:

Non observed	Non observed	Non observed
NA	NA	NA












Non Compliance Photos:

		
NC Pic 1: Employee didn't wear rubber gloves.	NC Pic 2: No safety label and secondary containers.	NC Pic 3: The clearances for the fan were too large

General Site Tour Photos:

		
Facility name	Facility gate	Production building

		
Punching	Casting	Polishing
		
Silkscreen	Spot gluing	Packing
		
Finished goods warehouse	Material warehouse	PPE sign
		
Drinkable water	Electrical Box	Toilet

		
Evacuation plan	Fire hydrant	Fire extinguishers
		
Emergency light and exit sign	Fire alarm	Attendance system,
		
Suggestion box	First aid kits	No-smoking sign
		
Occupation hazardous sign	Notice board	Chemical warehouse

		
Post MSDS	Eye washing equipment	PPE (earplug) used

DISCLAIMER:

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



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)

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

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

[Click here for Auditors:](#)

<https://www.surveymonkey.co.uk/r/BRTVCKP>