



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 406593150	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS:406625546
Business name (Company name):	YINGKOU MEIDU GARMENTS PRODUCTS CO., LTD.		
Site name:	YINGKOU MEIDU GARMENTS PRODUCTS CO., LTD. 营口镁都制衣有限公司		
Site address: <i>(Please include full address)</i>	Yong'an Village, Yong'an Town, Dashiqiao City, Yingkou City, Liaoning Province 辽宁省营口市大石桥市永安镇永安村	Country:	China 中国
Site contact and job title:	Ms. Liu Linlin / Manager Assistant		
Site phone:	86-417-5225909	Site e-mail:	sun_mdzy@163.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	18-19 May 2020		

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> YINGKOU MEIDU GARMENTS PRODUCTS CO., LTD.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): None observed

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

Lead auditor: Ms. Joyous Yu	APSCA number: RA 21700290
Lead auditor APSCA status: RA	
Team auditor: Ms. Joyous Yu	APSCA number: RA 21700290
Interviewers: Ms. Joyous Yu	APSCA number: RA 21700290

Report writer: Ms. Joyous Yu

Report reviewer: Ms. Nancy Jiang, social report reviewer

Date of declaration: 19 May 2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	None observed
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	NCs 1. No protective devices were installed for partial machines. 2. Partial goods were leaned against the wall directly.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC Insufficient social insurance participated.
6. Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC Overtime hours exceeded the legal requirement.

7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not applicable
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not applicable

General observations and summary of the site:

Site Summary

- The products manufactured at this site were garments.
- Overall responsibility for meeting the standards was taken by Ms. Liu Linlin / Manager Assistant.
- There were total 263 employees on site, including 6 managers.
- The youngest employee on site was 18 years old.
- Worker committee existed in the facility. Mr. Wei Guofu/ Worker Representative was present at the opening meeting, audit and closing meeting. No Union existed in the facility.
- There was evidence of both male and female in management and among supervisor. The distribution was Male 50%, Female 50%.
- The peak season was not obvious in the facility.
- Site had complete production processes and no sub-contractor was used.

- 20 female and 6 male employees were randomly selected for interview; they were interviewed as 4 groups of 5 employees and 6 employees were interviewed individually.
- Payrolls records for the period from April 2019 to March 2020, and attendance records for the period from 1 April 2019 to 17 May 2020 were provided for review. Randomly sampled 26 employees' payrolls and attendance records from March 2020 (current month), December 2019 (random month) and September 2019 (random month) for further checking on status of wages and working hours.
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week with at least 1 day off in a week.
- Based on the provided attendance records and payrolls, overtime wages were paid correctly. Employees were paid 150% of normal wage for overtime on normal workdays, 200% of normal wage for overtime on rest day. No overtime occurred on holidays in past one year.
- No Collective Bargaining Agreement existed in the facility.
- Based on the provided attendance records, the status of overtime hours in samples were as below:

0-0 hour/day in March 2020 (current month)

0-2 hours/day in December 2019 (random month)

0-2 hours/day in September 2019 (random month)

8-8 hours/week in March 2020 (current month)

8-16 hours/week in December 2019 (random month)

8-16 hours/week in September 2019 (random month)

8-32 hours/month in March 2020 (current month)

32-63 hours/month in December 2019 (random month)

32-44 hours/month in September 2019 (random month)

Issues found

NC's

3. Safety and Hygienic Conditions

1. No protective devices were installed for partial machines. During facility tour, auditor found that no finger protection guard for 2 out of 160 sewing machines in sewing workshop.
2. Partial goods were leaned against the wall directly. Through facility tour, auditor noted partial goods in finished products warehouse were leaned against the wall directly.

5. Living Wages and Benefits

Insufficient social insurance participated. Through document review, auditor found that out of total 263 employees in April 2020 in the facility, including 61 who had reached the retirement age. Only 83 out of the rest 202 employees had participated in basic endowment insurance, basic medical insurance,

maternity insurance, unemployment insurance and employment injury insurance. Besides, the facility had purchased the commercial accident insurance for all rest employees, the validity was from 10 April 2019 to 9 April 2020.

6. Working Hours

Overtime hours exceeded the legal requirement. Through document review, auditor found that:

- 1) The monthly overtime hours of 23 out of 26 randomly selected employees were 59.5-63 hours in December 2019 (random month);
- 2) The monthly overtime hours of 23 out of all 26 randomly selected employees were 42.5-44 hours in September 2019 (random month).

Observations:

None observed

Best Practices Observed:

None observed

Additional Auditor Remark:

The English name of this facility is Yingkou Meidu Cloth Manufacturing Co., Ltd. in last year and the facility renamed the English name as Yingkou Meidu Garments Products Co., Ltd. in this year.

**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:	YINGKOU MEIDU GARMENTS PRODUCTS CO., LTD.							
B: Site name:	YINGKOU MEIDU GARMENTS PRODUCTS CO., LTD. 营口镁都制衣有限公司							
C: GPS location: (If available)	GPS Address: Yong'an Village, Yong'an Town, Dashiqiao City, Yingkou City, Liaoning Province, China. 辽宁省营口市 大石桥市永安镇永安村	Latitude: 40.570467 Longitude: 122.489794						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The business license number was 9121080070165519X7 Valid Date: from 10 September 1998 to 09 September 2048							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Garments							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>YINGKOU MEIDU GARMENTS PRODUCTS CO., LTD. was located at Yong'an Village, Yong'an Town, Dashiqiao City, Yingkou City, Liaoning Province, China. The total land area occupied by the facility was about 4160 square meters. The facility began operation in 1998.</p> <p>A total of 263 employees, including 221 female employees and 42 male employees were currently working in the facility. The ages ranged from 18 to 73 years old. There were 228 production employees and 35 non-production employees (including 6 managers). 253 employees were local residents and 10 employees were migrant residents came from Jilin Province and Heilongjiang Province of China.</p> <p>All the employees worked for 5 days a week in 1 shift. The normal working hours are from 8:00 to 17:00 with one hour for lunch break from 12:00 to 13:00. Finger printing attendance system was used for employees' time keeping. All employees' wages were calculated on hourly basis. The peak season was not obvious in the facility.</p> <p>The facility consisted of one 3-storey building for office, kitchen & canteen, two 3-storey buildings for workshop and warehouse. No dormitory was provided for employees.</p> <table border="1" data-bbox="655 1906 1485 1944"> <thead> <tr> <th>Building 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Building 1	Description	Remark, if any			
Building 1	Description	Remark, if any						

	Floor 1	Kitchen & canteen	Year of establishment: 2014 Size: 390 square meters
	Floor 2	Office	Year of establishment: 2014 Size: 390 square meters
	Floor 3	Sample room	Year of establishment: 2014 Size: 390 square meters
	Is this a shared building?	No	None
	Building 2	Description	Remark, if any
	Floor 1	Workshop	Year of establishment: 2014 Size: 331 square meters
	Floor 2	Warehouse	Year of establishment: 2014 Size: 331 square meters
	Floor 3	Warehouse	Year of establishment: 2014 Size: 331 square meters
	Is this a shared building?	No	None
	Building 3	Description	Remark, if any
	Floor 1	Workshop and warehouse	Year of establishment: 2002 Size: 1179 square meters
	Floor 2	Workshop	Year of establishment: 2002 Size: 1179 square meters
Floor 3	Workshop	Year of establishment: 2002 Size: 1179 square meters	

	<table border="1" data-bbox="657 219 1484 286"> <tr> <td data-bbox="657 219 933 286">Is this a shared building?</td> <td data-bbox="933 219 1204 286">No</td> <td data-bbox="1204 219 1484 286">None</td> </tr> </table> <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: No visible structural integrity issues (large cracks) observed</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: The facility had no structural engineer evaluation.</p>	Is this a shared building?	No	None
Is this a shared building?	No	None		
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" 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)	N/A, as no peak month in facility.			
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 Garments. The main production processes were listed as follows: Cutting, sewing, down-filling, ironing, inspection and packing. The main machine list of the facility was as following: Including cutting machines, sewing machines, ironing machines and etc.</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 <p>L1: If yes, approx. % of workers in on site accommodation No accommodation was provided to employees.</p>			
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

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

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 09: 20 on 18 May 2020 A2: Day 1 Time out: 17: 40 on 18 May 2020	A3: Day 2 Time in: 09: 00 on 19 May 2020 A4: Day 2 Time out: 17: 00 on 19 May 2020	A5: Day 3 Time in: NA A6: Day 3 Time out: NA
B: Number of auditor days used:	2 man-days (One auditor in 2 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 type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 18 May 2020 – 18 June 2020 <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If No, why not? The facility did not finish SAQ.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A, not provided SAQ for review		
G: Who signed and agreed CAPR (Name and job title)	Ms. Liu Linlin / Manager Assistant		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	24-25 April 2019		
J: Previous audit type:	Full initial audit.		
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
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	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>	Not applicable.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	Not applicable, no union was in 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*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	39	0	0	0	0	0	0	39
Worker numbers – female	199	0	0	10	0	0	0	209
Total	238	0	0	10	0	0	0	248
Number of Workers interviewed – male	6	0	0	0	0	0	0	6
Number of Workers interviewed – female	19	0	0	1	0	0	0	20
Total – interviewed sample size	25	0	0	1	0	0	0	26



A: Nationality of Management	China	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: ___ China ___ B2: Nationality 2: _____ B3: Nationality 3: _____</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: NA, No peak season in the facility</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 __100_____ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: __0___% workers on piece rate D1: __100_____% hourly paid workers D2: __0___% salaried workers</p> <p>Payment cycle: D3: __0___% daily paid D4: __0___% weekly paid D5: __100_____% monthly paid D6: __0___% other D7: If other, please give details</p>	

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

M: Attitude of workers:

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

6 employees were selected for the individual interview and 20 employees in 4 groups were selected for the group interview, all the interviewees were favourable with the management and facility environment. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages which were in line with wages in the locality in their view. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders. They were able to complain directly to their supervisors but also felt free to give their general concerns, such as the suggestion to enhance the management of safety and environment in the workshop to their worker representatives.

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

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

No union in facility. The worker's committee representative was found to be cooperative throughout the audit. She was favourable with the management, facility environment in the interview process. No negative information was raised by worker's committee representative.

O: Attitude of managers:

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

The facility management had a system in place to check their current practices against their clients' requirements and the local law, and they took notice of the findings of the internal audit team and had recently implemented a Health & Safety committee to take care of health and safety concerns.

The facility management was open and cooperative throughout the process of the audit. The audited facility designated several management staff to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to several different management staff, and these assigned persons completed their assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour and locked areas encountered during the audit were unlocked timely.

A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. Photos taking of the facilities and copies' keeping of the samples of the reviewed documents were also permitted by the facility management.

In the closing meeting, the management agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The facility's Human Rights Policy was endorsed by Ms. Liu Linlin/Manager Assistant. The facility communicated Human Rights Policy to all appropriate parties including its own suppliers through providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps.

2. There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. The designated person for it was Ms. Liu Linlin/Manager Assistant.

3. The facility had assessed and measured the human rights impacts and issues of its stakeholders once per year and the facility's conclusion was that no salient negative human rights impact or issue was found in their stakeholders.

4. The facility had assessed and measured its direct, indirect and potential human rights impacts on its stakeholders once per year and the facility's conclusion was that there was no salient negative impact of human rights on its stakeholders.

5. According to worker interviews, management interviews and the facility's regular assessment and measurement of its direct, indirect and potential human rights impacts on its stakeholders, the facility had no adverse impact of human rights on its stakeholders.

6. The facility had established a transparent system for confidentially reporting and dealing with human rights impacts 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 human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designated person for it was Ms. Liu Linlin/Manager Assistant.

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

Details:

1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. The posters and trainings records about Human Rights Policy.
4. The facility's written Human Rights Policy; Human Rights Policy Compliance Commitments from its appropriate parties.
5. The designation paper for person responsible for implementing standards concerning Human Rights in the facility.
6. The assessment and measurement reports regarding its direct, indirect and potential human rights impacts on its stakeholders.

Any other comments:

None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. Name: Ms. Liu Linlin/Manager Assistant Job title: Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility had established a transparent system for confidentially reporting and dealing with human rights</p>

	<p>impacts without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and suggestion box) were available for its employees and other stakeholders to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designated person for it was Ms. Liu Linlin / Manager Assistant</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:</p> <p>The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible persons (i.e. financial and HR staff).</p> <p>And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised persons (i.e. financial and HR staff)</p>

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

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

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: __5__ %	A2: This year __5__ %
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]	5%	
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: __2__ %	C2: This year __1__ %
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: Accidents records were provided to review and it showed no accident happened in past 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: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility implemented and maintained systems for delivering compliance to this Code.
2. One senior manager Ms. Liu Linlin was responsible for compliance with the Code
3. The facility communicated this Code to all employees by training as confirmed by training records and employee interviews.
4. The ETI based code was posted on-site for employees review.
5. The facility had set up policy and pointed one staff to update labour law requirements
6. Implementation of any necessary changes was then given to the individual department heads after agreement with the facility manager.

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

Details:

1. The CSR manual; client's code of conduct at the facility (posted in Chinese in the workplaces); Appointment papers for compliance responsible persons; Internal audit documents (e.g. annual audit reports) from the internal audit team; management system certificate.
2. Business license; the land using permit and the property ownership certificate of facility building.
3. The appointment paper for the senior management responsible for compliance with the Code
4. Training records for workers
5. Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers
6. Management interview and worker 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: no any fines/prosecutions for non-compliance to any regulations in past 12 months</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 set up and implemented procedures of no forced labour, no child labour and no discrimination, harassment & abuse in the facility. One manager was appointed to take responsibility for the complement of these policies, such as when hiring employee, the ID card was needed to check the ages of employees. Male and female employees are on the same pay grade etc. Relevant training was provided for workers.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Though employment contract and ID copies review, no child labour under the age of 16 years old was employed. Through the employee interview, all interviewees stated that they were free to move in the facility and they were paid based on their work experience and skills. The management were all nice to them.</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: Training about no forced labour, non-child labour, none discrimination and non-harassment & abuse was provided by the facility when new employees come in. Managers were also required to follow the relevant policies.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training records were provided. All employees were provided training once a year. The last training was conducted on 30 September 2019. Relevant policies were also posted in the production area.</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: Not obtain such 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 G1: Please give details:</p>

	<p>The facility had administration department which in charge of the recruitment of workers, assignment of employees' post, etc. and Ms. Liu Linlin/Manager Assistant was available in the facility.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The appointed senior management responsible for compliance with the Code was Ms. Liu Linlin /Manager Assistant.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible person (Ms. Liu Linlin / Manager Assistant). And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised person (Ms. Liu Linlin / Manager Assistant).</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: During document review and management interview, auditor noted that the facility conducted risk assessment (management review) yearly to evaluate the current policy and procedure and made any modification based on the output. The last risk assessment was conducted on 1 August 2019.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1Please give details: There was an internal audit team for internal audit including risk assessment of the social standards</p>

	of the facility and they reported their findings to Ms. Liu Linlin / Manager Assistant. Implementation of any necessary changes was then given to the individual department head after agreement with Ms. Liu Linlin / Manager Assistant.
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 are 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; and the facility also conducted social compliance assessments for its suppliers annually.
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 site had provided all required land rights, licences and permission such as the valid land using permit original form records for review.
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 appointed a person conducted due diligence about the national laws and practices relating to land title through visiting government's website, consulting the government officials and verifying the legal documents of the land. A person was appointed to be responsible for updating the applicable law lists and conduct internal audit for this policy.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The site has a written policy and procedures specific to land rights.
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 acquired and used the land according the legal procedure and project's requirement

<p>R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable, the facility did not have plan of land acquisition.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: no illegal appropriation of land for facility building or expansion of footprint.</p>

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

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

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

1: Freely Chosen Employment

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
3. The employing handbook – given to all workers on joining, stated that workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours. The rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search.
5. The factory did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The factory did not use prison labour.
7. The above was confirmed in management and employee interview.

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

Details:

1. Contracts for security guards
2. Resignation records of recent 12 months
3. Factory rules
4. Employee handbook
5. Management 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:

<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: Remark: there was no any restriction on workers' freedom to terminate employment. Workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work.</p>
<p>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'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: Not applicable (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)</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Not applicable There was no any restriction on workers' freedoms to leave the site at the end of the workday. According to the onsite observation and worker interviews, the workers are free to leave the workplace after their working hours every day.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: According to the document review and management interviews, there was no risk of forced / trafficked / bonded labour in its supply chain</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Not applicable (according to the document review and management interviews, there was no risk of forced / trafficked / bonded labour in its supply chain)</p>

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

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

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There was workers committee at the site, worker representatives were elected by employees.
- 2. The worker reps. were chosen by fellow employees
- 3. Employee interview confirmed that the members of worker committee had been elected by fellow employees.
- 4. The facility had a written policy of freedom of association. The policy stated that the workers were free to form or join workers committee, and nobody would be treated differently if they were members of the workers committee, etc.
- 5. The response records for workers' 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
- Policy about suggestions and appeals
- Workers committee representatives' selection records and meeting records
- Response records for workers' suggestions and appeals
- Interviews with workers committee representative, management and workers

Any other comments:
none

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

<p>C: Is it a legal requirement to have a worker's committee?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: suggestion box and hotline D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No During employee interview, worker representatives were elected by employees freely.	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility had conducted the union and worker representative meeting regularly to reporting and discussing the worker's complaint and advise	
<p>F: Name of union and union representative, if applicable:</p>	<p>Not applicable. No union existed in facility.</p>	<p>F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>Worker committee existed in facility.</p>	<p>G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Mr. Wei Fuguo is representatives</p>
<p>I: Were worker representatives freely elected?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Date of last election: 15 August 2019</p>
<p>J: Do workers know what topics can be raised with their representatives?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>K: Were worker representatives/union representatives interviewed?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One worker representative was interviewed during the audit.	
<p>L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.</p>	<p>Yes. The latest worker representative meeting was conducted on 15 August 2019 about collecting the worker's suggesting in the workshop and enhancing the management for the safety and environment of the production area and clarifying the worker representatives' duty and obligation.</p>	

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

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: (where relevant please add photo numbers) Not applicable</p>

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. General Health and Safety management
 - Ms. Liu Linlin / Manager Assistant was responsible for Health & Safety issues in the site.
 - Potable water was freely available in all areas and test certificates were up-to-date
 - Sufficient clean toilets segregated by gender were available at all times to employees
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Minutes of meetings show that there were monthly meetings between the workers and the Manager, and each point was acted on.
 - The facility had conducted evaluation on occupational hazard factors. And, the regular occupational health examinations for the relevant employees were conducted every year.
- 2. Fire Safety
 - There were at least 2 exits from each work area and these were clearly marked;
 - Firefighting equipment was adequate and checks were up-to-date;
 - Fire drills were organized and recorded twice a year;
 - Training had been given by the local fire department and fire marshals had been specially selected for extra training.
 - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
 - The open directions of the safety exit doors were adequate.
 - Evacuation routes were designed well with yellow lines and unblocked.
 - Evacuation plans were posted at each safety exit and understood by all interviewed workers.
- 3. Electrical safety
 - There was a competent electrician at the site and the certificate was available for review.
 - All electrical equipment were in good condition such as sockets, plugs, switches and main fuse boards.
- 4. Medical services
 - There were adequate first aid kits in each production area and they were well stocked.
 - There was three 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:

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Fire drill records on 27 December 2019 and 23 August 2019.
7. Trained first aiders registers on 28 August 2017.
8. Accident reports
9. Interviews with H&S manager
10. Interviews with employees and H&S committee members

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 A1: Please give details: During document review and employee interview, EHS policy and procedures were set up and communicated to employees by facility.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The EHS policy was mentioned in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No such building used in 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 D1: Please give details: The facility would communicate with the EHS policy with visitors before they conducted facility tour and the proper PPEs would provide for visitor before they entered relevant production area where PPE was required.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room or medical facility was provided for the workers and there was no such legal requirement for the facility.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details:</p>

	Not applicable. There was no doctor or nurse in the facility. And doctor or nurses were also not required legally for the facility. There were three first aiders who had been trained at a local hospital and there were first aid kits with adequate first aid supplies on all facility floors, so the workers were easy access to first aid and first aider.
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 worker transport.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: Not applicable. No living space was provided
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 internal social assessment on 22 May 2019 and take measures to conduct the preventative and corrective Actions
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 had obtained the Environmental Impact Assessment (EIA) registration.
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: No banned chemical used in the facility.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No protective devices were installed for partial machines. During facility tour, auditor found that no finger protection guard for 2 out of 160 sewing machines in sewing workshop.</p> <p>Local law and/or ETI requirement Local law: In accordance with 2.3.3 Adequate measures shall be implemented to prevent anyone from touching or getting close to dangerous moving parts while the electric equipment is in normal operation, to prevent metal chips and dust from flying off, to prevent liquid and gas from overflowing, and to avoid extremely high or low temperature of the equipment's outside.</p> <p>ETI 3.1 : A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Facility tour (please refer to NC Photo No.1</p>

<p>as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It was recommended that the facility should supervise and train employees properly used safety devices.</p>	
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Partial goods were leaned against the wall directly. Through facility tour, auditor noted partial goods in finished products warehouse were leaned against the wall directly.</p> <p>Local law and/or ETI requirement Local law: In accordance with the General Rules for Fire Safety Management of Storage Occupancies GA1131-2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.</p> <p>ETI 3.1 : A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that the facility should ensure that the distance between the wall and the goods was not less than 0.5 meter.</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Facility tour (please refer to NC Photo No.2)</p>

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

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

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There was a written recruitment procedure which states 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 will be given back to the workers; and the facility will never employ and use any child labour under the age of 16 years old.
- 2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
- 3. There was a written child labour remediation procedure though there was no child labour in the facility.
- 4. The written worker roster was available.
- 5. The worker' personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 18 years old.
- 6. 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:

- 1. Personnel files of all employees
- 2. Latest list of employees
- 3. Records of any health checks
- 4. Management and employee interview

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	18 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 N/A. 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:

1. The local minimum wage standard for full-time work was set at RMB 1420 per month equivalent to RMB 8.16 (1420/21.75/8) per hour before 1 November 2019 and RMB 1610 per month equivalent to RMB 9.25 (1610/21.75/8) per hour since 1 November 2019.
2. Wages of workers were calculated by hourly rate. Based on provided payroll records, the minimum wage paid by the facility was at least RMB 9.77 per hour.
3. The wage calculated period was from 1st of the last month to 30th (31st) of the last month. No production bonus and position allowance and etc. were provided to employees. All employees were normally paid on or before 30th of each month by cash. Based on provided policy, 150%, 200% of normal rate were paid by facility for employees' overtime working in normal working days and rest days. No overtime work was arranged in official public holidays in the facility.
4. The wages office was well organised with a good controlled set of processes which are understood by all employees.
5. During employee interview, all 26 randomly selected employees stated they received the pay stub for each payment.
6. All interviewees expressed that no deposit in this facility. No monetary fine records were found during audit.
7. All workers were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
8. Benefits of paid annual leave were given to all workers and child-bearing leave to appropriate employees.
9. Insufficient social insurance participated. Through document review, auditor found that out of total 263 employees in April 2020 in the facility, including 61 who had reached the retirement age. Only 83 out of the rest 202 employees had participated in basic endowment insurance, basic medical insurance, maternity insurance, unemployment insurance and employment injury insurance. Besides, the facility had purchased the commercial accident insurance for all rest employees, the validity was from 10 May 2019 to 8 May 2021.

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

Details:

1. Document review

2. Employee interview
3. Local and national laws
4. Wages and benefits policy
5. Local legal minimum wage documents
6. Payroll records from April 2019 to March 2020 and attendance records for the period from 1 April 2019 to 17 May 2020 were reviewed.
7. Leave records
8. Social insurance and payment receipts from the local labour department
9. Labour contracts for all employees (to examine agreed wage rates)
10. Resignation records
11. Pay slips of all employees interviewed

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Insufficient social insurance participated. Through document review, auditor found that out of total 263 employees in April 2020 in the facility, including 61 who had reached the retirement age. Only 83 out of the rest 202 employees had participated in basic endowment insurance, basic medical insurance, maternity insurance, unemployment insurance and employment injury insurance. Besides, the facility had purchased the commercial accident insurance for all rest employees, the validity was from 10 May 2019 to 8 May 2021.

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.

Objective evidence observed:

(where relevant please add photo numbers)

1. Social insurance recipe review.
2. Management and employee interview.

<p>Recommended corrective action: It is recommended that the facility should persuade the potential employees to participate in social insurance.</p>	
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal minimum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal minimum: 3 hours per day and 36 hours per month	B1: 0-0 hour/day in March 2020 (current month) 0-2 hours/day in December 2019 (random month) 0-2 hours/day in September 2019 (random month)	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility

		<p>8-8 hours/week in March 2020 (current month) 8-16 hours/week in December 2019 (random month) 8-16 hours/week in September 2019 (random month)</p> <p>8-32 hours/month in March 2020 (current month) 32-63 hours/month in December 2019 (random month) 32-44 hours/month in September 2019 (random month)</p>	
<p>C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: The local minimum wage standard for full-time work was set at RMB 1420 per month equivalent to RMB 8.16 (1420/21.75/8) per hour before 1 November 2019 and RMB 1610 per month equivalent to RMB 9.25 (1610/21.75/8) per hour since 1 November 2019.</p>	<p>C1: At least RMB 9.77 per hour</p>	<p>C2 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility</p>
<p>D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: 1) No less than 150% of the normal wages for overtime working on</p>	<p>D1: Based on the attendance and payroll records provided by the facility,</p>	<p>D2 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility</p>

	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.	Employees were paid 150% of the normal wages if the extension of working hours is arranged, 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; No overtime hours on statutory holidays.	
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Wages analysis: <i>(Click here to return to Key Information)</i>	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	26 payroll records from March 2020 (current month) 26 payroll records from December 2019 (random month) 26 payroll records from September 2019 (random month)
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100___% of workforce earning above minimum wage
	C1: If Yes , please give details: D1: If No , please give details: E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> At least RMB 9.77 per hour

G: Bonus Scheme found: Please specify details:	<p><i>Bonus Scheme found:</i> <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i></p> <p>No bonus provided at the facility.</p>		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance fee and 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 2. Please describe: the social insurance fee of the individual part was paid by the facility firstly and deducted from the wage monthly.
		I2: Please list all deductions that have not been made.	1. personal income tax 2. Please describe: no employees need to pay the personal income tax.
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: No workers were requested to attend the meeting before or after work and all the working hours were recorded by the electronic attendance machine.		
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: the facility had not defined living wage, regular wages were paid above minimum wages standard.		
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, there is no defined living wage
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility conducted the internal audit annually to check the compliance of wages
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No During employees' interview and document review, all employees are paid around 15th of each 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 factory rules review, payroll records review and employee's interviews' interview, it was confirmed that equal rates are 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:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All the employees in employee interview stated that they worked overtime on voluntary basis.
2. The facility used electronic attendance system (finger printing system) to keep all employees working hours and then based on the attendance records to calculate wages.
3. In this audit, auditor had randomly selected production records: inspection records of production and material delivery-in and out records. And crosschecked these records with payroll records and attendance records, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
4. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week with at least one day off per week was provided for employees and no overtime on holidays.
5. Based on provided attendance records, total overtime per month exceeded 36 hours per month.
6. Based on the attendance records provided by the facility:

- 1) For March 2020 (current month), the average number of hours worked in a week for the 26 selected samples were 47.31 hours per week. Maximum working hours per week were 32 hours (23 out of 26 randomly selected samples).
- 2) For December 2019 (random month), the average number of hours worked in a week for the 10 selected samples were 54.08 hours per week. Maximum working hours per week were 56 hours (23 out of 26 randomly selected samples).
- 3) For September 2019 (random month), the average number of hours worked in a week for the 10 selected samples were 49.32 hours per week. Maximum working hours per week were 56 hours (23 out of 26 randomly selected samples).

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

Details:

1. Employee interview
2. Management interview
3. Local and national laws
4. Facility policy on working hours
5. Time records in electronic keeping system
6. Sample pay slips with recorded hours all employees interviewed
7. Employees contracts
8. Attendance records from 1 April 2019 to 17 May 2020 were reviewed
9. Quality and production daily records to cross check hours

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:

- 1) The monthly overtime hours of 23 out of 26 randomly selected employees were 59.5-63 hours in December 2019 (random month);
- 2) The monthly overtime hours of 23 out of all 26 randomly selected employees were 42.5-44 hours in September 2019 (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

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

Document review

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 control overtime hours with the legal requirement.

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

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

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

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:			
		NA			
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: NA			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		Maximum number of days worked without a day off (in sample):			
		6 days. Maximum number of days worked without a day off in the attendance samples: 6 days in March 2020 (current month) 6 days in December 2019 (random month) 6 days in September 2019 (random month)			
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			
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			
Overtime Hours worked					
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 0 hour/day in March 2020 (current month) 2 hours/day in December 2019 (random month) 2 hours/day in September 2019 (random month)				

	<p>8 hours/week in March 2020 (current month) 16 hours/week in December 2019 (random month) 16 hours/week in September 2019 (random month)</p> <p>32 hours/month in March 2020 (current month) 63 hours/month in December 2019 (random month) 44 hours/month in September 2019 (random month)</p>	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	<p>__29.49__%</p>	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Through employee interview, all interviewed employees stated that overtime was voluntary, and they were free to refuse the overtime work.</p>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of standard wages: Based on the attendance and payroll records provided by the facility, Employees were paid 150% of the normal wages if the extension of working hours is arranged, 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; No overtime hours on statutory holidays.</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: 100% workers paid at a premium monthly</p>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<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	
	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>	
	Not applicable	

<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p> <input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) NA. The maximum weekly hours were 57 hours, no more than 60 hours. </p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: Trough management review, it was noted that overtime hours were being used for extended periods to make up for increased order volumes. </p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. Equal pay for equal job in the facility.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
6. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
7. There was no evidence of sexual harassment.

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

Details:

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payrolls
3. Attendance records
4. Termination records
5. Training records
6. Management and employee interview

Any other comments:

None

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: __50__ % A2: Female __50__ %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>6 female employees were in skilled role who worked in sample making room for the sample designing and making.</p>

<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: N/A None observed</p>
---	---

Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>Employee handbook and factory rules training, EHS training, fire safety training, chemical training, machine operating training, benefit and working hours etc.</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If no, please give details:</p>
---	--

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:

1. 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.
2. The facility signed labour contracts with the employees within one month, and all interviewed employees stated that they kept a copy of labour contracts by themselves. Also a written agreement was signed with the employees who reached retiree age in the facility.
3. All employees received pay slip in their own language when they were paid.

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

Details:

- The hiring and termination practices
- Personal files
- Payroll records were provided for review.
- Management and employee interview

Any other comments:

None

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

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

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

Responsible Recruitment

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

purpose of recruitment/placement?	B1: If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All processes
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 checked="" type="checkbox"/> No C1: Please describe finding: C2: Observations:
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: sample room

workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: Not applicable, no fees required
C: If any checked, give details:	Not applicable, no fees required

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

<p>C: Were sufficient documents for agency workers available for review?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site does not use agencies</p>
<p>D: Is there a legal contract / agreement with all agencies?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Not applicable, site does not use agencies</p>
<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Not applicable, site does not use agencies</p>

<p style="text-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>	
<p>A: Any contractors on site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:</p>
<p>B: If Yes, how many workers supplied by contractors?</p>	<p>Not applicable, No contractor on site</p>
<p>C: Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable, No contractor on site</p>
<p>D: If Yes, please give evidence for contractor workers being paid per law:</p>	<p>Not applicable, No contractor on site</p>

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. It was verified through document review, facility tour, management interview and employee interview that no subcontracting facility was used by the facility for all the processes
2. It was verified through document review, facility tour, management interview and employee interview that no home working was used by the facility.
3. There was the mechanism in place for monitoring the subcontract units for agreement with laws or the basic social responsibility code.

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

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

Details:

NA

Non-compliance:

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

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

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:</p>
<p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details:</p>

C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No 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

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 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: suggestion box
B: If Yes , are workers aware of these channels and have access? Please give details.	The workers could express their own feeling by suggestion box and hotline.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box and hotline
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Though the employee interview, all employees said they could use hotline and suggestion box to report violations of Labour standards and H&S.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
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
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain
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

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined

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

Current systems:

- According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure
- As per management interview, document review and employees' interview, there was a policy on Harsh Treatment.
- There is an internal process for grievance, which is an anonymous email address, where employees can report the grievances (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.

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

Details:

- The relevant policy on prevention of harassment and abuse
- Internal grievance procedure documentation.
- Training records
- Employee interview

Any other comments:
None

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

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

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

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Per document review, facility management representation and employee interview, all employees were local employees. All employees had the proper legal rights to work in this region. The youngest age was 18 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
2. No agency staff or foreign employee was used by the facility.

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

Details:

1. Hiring procedure
2. Personnel files
3. Employee handbook
4. Employee interview

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had written environmental policy and had established an environmental management system.
2. The facility conducted some training for all employees on the avoidance of environmental impact.
3. Mr. Ma Yongbin/Production Manager was responsible for continuous improvements in their environmental performance.
4. The facility had established a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.

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

Details:

1. Environmental policy
2. Energy bills
3. Water bill
4. Employee and management interview.
5. Site tour
6. Environmental Impact Assessment (EIA) registration
7. Monitoring report of waste gas

Any other comments: None

Non-compliance:

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

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

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

Appendix 1

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

Not Applicable please x

Photo Form

NC Photo

<p>NC photo 1: No protective devices were installed for partial machines</p>	<p>NC photo 2: Part of goods was stored against the wall.</p>	

General photo

<p>Facility name</p>	<p>Facility gate</p>	<p>Production building</p>
<p>Office, canteen and kitchen building</p>	<p>Production workshop and warehouse building</p>	<p>Packing workshop</p>

<p>Finished good Warehouse</p>	<p>Raw material warehouse</p>	<p>Making Sample room</p>
<p>Cutting workshop</p>	<p>Sewing workshop</p>	<p>Inspection workshop</p>
<p>PPE was used</p>	<p>PPE sign</p>	<p>Notice board</p>
<p>Non safety exit</p>	<p>Canteen</p>	<p>Kitchen</p>



Safeguard equipment Safeguard equipment Safeguard equipment












Testing fire alarm Testing emergency light Fire-fighting equipment inspection record



Emergency light and safety exit sign Fire hydrant Lamplit evacuation indication sign



Evacuation plan	Fire alarm	Fire extinguishers
		
Safety exit	Evacuation route	Emergency location sign
		
Occupational hazardous notice board	Electrical box with warning sign	Explosion-proof light
		
First aid kit	Suggestion box	Toilet

<p>No smoking sign</p>	<p>Personal locker</p>	<p>ETI COC</p>
<p>Monitoring system</p>	<p>Attendance machine</p>	<p>Drinking water</p>
<p>Warning sign</p>	<p>Ironing workshop</p>	

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End of report.



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