




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: 402808747	Sedex Site Reference: (only available on Sedex System)	ZS: 417758399
Business name (Company name):	GLORIOUS HOME COMPANY LIMITED		
Site name:	Shantou Jinxiang Craft Products Co., Ltd. 汕头市金象工艺制品有限公司		
Site address: (Please include full address)	Jinyuan Industry Area, Xinxi Town, Longhu District, Shantou City, Guangdong Province 广东省汕头市龙湖区新溪镇金源工业区  Business License address: The same as above.	Country:	China
Site contact and job title:	Bill Fang/Operation Manager		
Site phone:	86-15994818449	Site e-mail:	billfang@glorious-home.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	December 17, 2021		

<b>Audit Company Name &amp; Logo:</b> SGS-CSTC Standards Technical Services Co., Ltd.  	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  GLORIOUS HOME COMPANY LIMITED
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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)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto:grievance@sedex.com).

To confirm the validity of this report, please visit  
<https://www.sedex.com/audit-verifier/>

## 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):

1. Based on site observation, interviews with workers and management, the audited factory rented out buildings to other companies: about half areas of the first floor of one five-story building (building D) was used as cutting workshop by the audit factory. The second floor was used by the audit factory as production and warehouse. The remaining area on the first floor and the third to fifth floors were rented out to other companies for office or warehouse use. About one third areas of the first floor of one two-story building (building E) was used by the audit factory as office, the rest areas were used by "Guilun Carton Factory in Longhu District, Shantou City" for production use. Another three-story building (building H) in the factory was leased to other companies. During the audit, the factory provided the lease contracts and the business licenses of other companies for review. The audit area only covered the used area of the audited factory, which was about 1,800 square meters.

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

Lead auditor: Nicky Xie APSCA number: CSCA21700115

Lead auditor APSCA status: CSCA

Team auditor: Nil

Interviewers: Nicky Xie APSCA number: CSCA21700115

Report writer: Nicky Xie

Report reviewer: Amy Li

Date of declaration: December 17, 2021

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

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

## Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	<a href="#">Universal Rights covering UNGP</a>		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
0B	<a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	0	1	0	Summary of Non-compliance finding: Nil  Summary of Observation finding: The factory did not provide SAQ for review.  Summary of Good Example: Nil
1.	<a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
2	<a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
3	<a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3	0	0	Summary of Non-compliance finding: 1. Sewing machine was not equipped belt guard. 2. The factory did not provide occupational health examinations for workers. 3. The factory did not install facilities to prevent insects from entering in the kitchen and canteen.



									Summary of Observation finding: Nil
									Summary of Good Example: Nil
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	1	Summary of Non-compliance finding: The factory did not provide 5 categories of social insurance for all workers required by law.
									Summary of Observation finding: Nil
									Summary of Good Example: The factory provided meals for all workers for free.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	Summary of Non-compliance finding: The workers' monthly overtime in the factory exceeded legal requirement.
									Summary of Observation finding: Nil
									Summary of Good Example: Nil
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

	<u>Homeworking</u>								
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA
10C	<u>Business Ethics</u>			<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA

#### General observations and summary of the site:

##### Site Summary:

The site was established in 2003 and operated at the current location since established; The main products of the factory was were boxes. The business is owned by Mr. Xie Yujie and he had managed the factory directly. The factory occupied partial areas of two buildings as production workshop, warehouse office. The buildings were in good condition based on onsite observation.

The 2-pillar audit was performed over 1 day by 1 auditor and included interviews and records inspection of 10 workers. Workers interviewed were including both male and female. All workers were favourable towards the company. They enjoyed the work and stated it was a friendly environment. Pay was always accurate and paid on time; no issues with the payslips were noted. Also, they stated that they felt comfortable in approaching with any concerns they had.

The factory had established a management system to manage the social accountability issues in the factory. No forced labour was identified during the audit.

No trade union was available in the factory. Worker representatives were elected in the factory. The worker representative had attended the opening and closing meeting during this audit.

There were several non-compliances found in the audit as per the table, which were covered in the sections of "Safety and Hygienic Conditions", "Living Wages and Benefits" and "Working Hours". Please refer to corresponding sections for details. For other sections, no violation was noted.

*\*Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*



## Site Details

Site Details								
A: Company Name:	GLORIOUS HOME COMPANY LIMITED							
B: Site name:	Shantou Jinxiang Craft Products Co., Ltd. 汕头市金象工艺制品有限公司							
C: GPS location: (If available)	GPS Address: Jinyuan Industry Area, Xinxu Town, Longhu District, Shantou City, Guangdong Province, China	Latitude: 23°24'22" Longitude: 116°45'41"						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License number: 91440500757853419J Valid from December 15, 2003 to the long-term period							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Products: boxes, such as: packing boxes, jewellery boxes, gift boxes, storage boxes Activities: cutting, gluing spraying, folding, sewing, packaging							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Shantou Jinxiang Craft Products Co., Ltd. was located at Jinyuan Industry Area, Xinxu Town, Longhu District, Shantou City, Guangdong Province, China.</p> <p>There were total 28 workers in the factory during the audit, including 11 migrant workers and 17 local workers. All permanent workers were hired by the facility directly. The workers worked for 5 days a week in one shift. The normal working hour was: 8:00-12:00; 13:30-17:30. Workers' wages were calculated on hourly rate and paid on the end of each month. The peak season in this facility was not obvious.</p> <p>The factory occupied partial areas of two buildings as production workshop, warehouse office: about half areas of the first floor of one five-story building (building D) was used as cutting workshop by the audit factory. The second floor was used by the audit factory as production and warehouse. The remaining area on the first floor and the third to fifth floors were rented out to other companies for office or warehouse use. About one third areas of the first floor of one two-story building (building E) was used by the audit factory as office, the rest areas were used by "Guilun Carton Factory in Longhu District, Shantou City" for production use. The total areas used by the audited factory was about 1,800 square meters.</p> <table border="1"> <thead> <tr> <th>Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Cutting/another factory</td> <td>Year of establishment:</td> </tr> </tbody> </table>		Production Building	Description	Remark, if any	Floor 1	Cutting/another factory	Year of establishment:
Production Building	Description	Remark, if any						
Floor 1	Cutting/another factory	Year of establishment:						

		2008
Floor 2	Production	Year of establishment: 2008
Floor 3-5	Other companies	Year of establishment: 2008
Is this a shared building?	Yes	The remaining area on the first floor and the third to fifth floors were rented out to other companies for office or warehouse use.

Production Building	Description	Remark, if any
Floor 1	Office/another factory	Year of establishment: 2008
Floor 2	another factory	Year of establishment: 2008
Is this a shared building?	Yes	About one third areas of the first floor of one two-story building (building E) was used by the audit factory as office, the rest areas were used by "Guilun Carton Factory in Longhu District, Shantou City" for production use

Dormitory Building (partial 5 <sup>th</sup> floors)	Description	Remark, if any
Floor 1	Canteen, kitchen	Year of establishment: 2008
Floor 2-5	Dormitory	Year of establishment: 2008
Is this a shared building?	Yes	The dormitory was shared with other companies.

F1: Visible structural integrity issues (large cracks) observed?

	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F2: Please give details: Based on site observation, no visible structural integrity issue was observed, factory buildings were in good condition.  F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  F4: Please give details: The factory provided Building Structure Safety Certificates for the buildings.
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	The peak season was not obvious.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	The main products manufactured in the factory were boxes, such as: packing boxes, jewellery boxes, gift boxes, storage boxes.  The main production processes were as below: cutting, gluing spraying, folding, sewing, packaging  Main equipments were used in the factory: cutting machines, sewing machines and etc.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Night Production: no night shift in the factory, workers sometimes overtime worked 2 hours from 18:00-20:00.
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. 20% of workers in on site accommodation

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

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 8:30 A2: Day 1 Time out: 16:30	A3: Day 2 Time in: Nil A4: Day 2 Time out: Nil	A5: Day 3 Time in: Nil A6: Day 3 Time out: Nil
B: Number of auditor days used:	1MD (1 auditor X 1 day)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 3 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not: the factory did not complete SAQ during the audit.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Chen Ping/HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	Nil		
J: Previous audit type:	Nil		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There is no union at this factory.		

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	7	0	0	5	0	0	0	12
Worker numbers – female	10	0	0	6	0	0	0	16
Total	17	0	0	11	0	0	0	28
Number of Workers interviewed – male	2	0	0	1	0	0	0	3
Number of Workers interviewed – female	3	0	0	4	0	0	0	7
Total – interviewed sample size	5	0	0	5	0	0	0	10





A: Nationality of Management	Chinese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: <u>China</u> B2: Nationality 2: <u>Nil</u> B3: Nationality 3: <u>Nil</u>	Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please describe how this may vary during peak periods: peak season was not obvious in the factory.
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 <u>Nil</u> C2: approx % total workforce: Nationality 3 <u>Nil</u>	
D: Worker remuneration (management information)	D: <u>0</u> % workers on piece rate D1: <u>100</u> % hourly paid workers D2: <u>0</u> % salaried workers  Payment cycle: D3: <u>0</u> % daily paid D4: <u>0</u> % weekly paid D5: <u>100</u> % monthly paid D6: <u>0</u> % other D7: If other, please give details	



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: (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)	1 group with 4 workers.	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	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. Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment	<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 worker complained anything during the interview.	
I: What did the workers like the most about working at this site?	All workers said that they were satisfied with working condition and the wages.	
J: Any additional comment(s) regarding interviews:	Workers were cooperative.	
K: Attitude of workers to hours worked:	All workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: Based on document review, management interview and workers interview. The factory had conducted background survey to all workers.		

**M: Attitude of workers:**

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

10 workers were selected for interview, including 3 male workers and 7 female workers. They were interviewed as 1 group with total 4 workers and 6 workers were interviewed individually. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages. 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 and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns to their worker representative who would take it to the worker management committee.

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

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

Total 10 workers were sampled for interview, including 1 worker representative. The interview was conducted in the absence of any staff or management representatives, assuring the respondents total confidentiality of the views that they expressed. As per the worker representative's representation, the management always respected rights of freedom of association. All workers could communicate their suggestions or complaints to the upper supervisor face to face, or via suggestion box without any discrimination and punishment. The management would take the concerns into consideration immediately and improve as soon as possible when any suggestions or complaints were raised. No negative information was provided by interviewee during the interview process.

**O: Attitude of managers:**

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

The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditors took photos and copy relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

1. The factory had 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.
2. Ms. Xie Shaoqin/Admin. Manager was a designated person responsible for implementing standards concerning Human rights.

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

Details:

Management interview

Workers interview

Documents review

Any other comments:

Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory established the policy which stated that expresses commitment to respect human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Xie Shaoqin Job title: Admin. Manager
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory had a transparent system (confidential email and suggestion box) in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in HR office.

Findings		
<b>Finding: Observation</b> <input type="checkbox"/> <b>Company NC</b> <input type="checkbox"/> <b>Description of observation:</b> Nil  <b>Local law or ETI/Additional elements / customer specific requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA	

Good examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA

## Measuring Workplace Impact

Workplace Impact		
<b>A: Annual worker turnover:</b> Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	<b>A1: Last year:</b> __10__ %	<b>A2: This year</b> __10__ %
<b>B: Current % quarterly (90 days) turnover:</b> Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	10%	
<b>C: Annual % absenteeism:</b> Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	<b>C1: Last year:</b> __8__ %	<b>C2: This year</b> __8__ %
<b>D: Quarterly (90 days) % absenteeism:</b> Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	10%	
<b>E: Are accidents recorded?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accident records were kept in files, but no accidents were occurred base on the accidents record.	
<b>F: Annual Number of work related accidents and injuries per 100 workers:</b> [(Number of work related accidents and injuries * 100) / Number of total workers]	<b>F1: Last year:</b> Number: 0	<b>F2: This year:</b> Number: 0
<b>G: Quarterly (90 days) number of work related accidents and injuries per 100 workers:</b> [(Number of work related accidents and injuries * 100) / Number of total workers]	0%	
<b>H: Lost day work cases per 100 workers:</b> [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	<b>H1: Last year: 0</b>	<b>H2: This year: 0</b>
<b>I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:</b>	<b>I1: 6 months</b> __0__% workers	<b>I2: 12 months</b> __0__% workers
<b>J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:</b>	<b>J1: 6 months</b> __0__% workers	<b>J2: 12 months</b> __0__% workers

## 0B: Management system and Code Implementation

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The factory appointed Ms. Xie Shaoqin/Admin. Manager to be responsible for compliance with ETI Base Code.
- Based on document review and management interview, the factory had conducted internal audit for its social accountability.
- The factory had conducted social responsibility audit for their suppliers.

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

##### Details:

- Social responsibility policy and procedure.
- Management system.
- Worker interview and management interview
- ETI code at the factory (in Chinese).

##### Any other comments:

Nil

### Management Systems:

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

☐ Yes

☒ No

A1: Please give details:

No such fine or prosecutions were identified.

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

☒ Yes

☐ No

B1: Please give details:

Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh



	treatment, Environment and Business Ethics. No negative evidence was found.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staff.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory had provided the training to management and workers.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided the training to management and workers. The related record was provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The factory did not have such certification.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: There is a HR department in the factory. Ms. Chen Ping/HR Manager and Ms. Xie Shaoqin/Admin. Manager were responsible for the HR.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Xie Shaoqin/Admin. Manager was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Policy was established in employee manual.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Policy was established in employee manual.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment was conducted to evaluate policy and procedure

	effectiveness, such as finance audit.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: If issues addressed, actions should be taken per interview with management and HR department manager.
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 a policy which require labour standards for its own suppliers.
<b>Land rights</b>	
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: business license was provided 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: business license was provided for review.
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 factory had established the related policy, the factory provided the property ownership certificate.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: NA. The factory had established the related policy, the factory provided the property ownership certificate.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: NA. The factory had established the related policy, the factory provided the property ownership certificate.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No evidence of illegal appropriation of land for facility building or expansion of footprint was found.

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil  <b>Local law and/or ETI requirement</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> NA

Observation:	
<b>Description of observation:</b> The factory did not provide SAQ during the audit.  <b>Local law or ETI requirement:</b> Nil  <b>Comments:</b> The factory did not have time to complete the SAQ.	<b>Objective evidence observed:</b> Management interview

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective evidence observed:</b> NA

## 1: Freely Chosen Employment

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

### ETI

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- The employees obtained their job by HR market or by friend's recommendation.
- The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- Security guards must not prevent workers from leaving the premises outside of working hours and where they are conducting searches that this is at the request of management, is done on a sample basis and is performed discretely and without significant delay to workers leaving at the end of shift.
- No forced, bonded or involuntary prison labour was identified during the audit.

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

##### Details:

- Factory rules
- Employee handbook
- Personnel files
- Resignation records
- Management and worker interview

##### Any other comments:

Nil

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

	C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: No such restriction was found.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: Nil
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: No such evidence was found.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: No forced/ trafficked / bonded labour was identified in its supply chain
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.

### Non-compliance:

#### 1. Description of non-compliance:

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

#### Local law and/or ETI requirement

NA

#### Recommended corrective action:

NA

#### Objective evidence observed:

NA

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective evidence observed:</b> NA

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

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

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### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- No trade union was available in the factory; Two worker representatives were elected in the factory. The meeting records were provided for review.
- Through worker interview, the worker could rise up their opinion through worker representative or communicate with their supervisor.
- Workers could raise their grievances or complaint to their worker representative or management directly.

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

##### Details:

- The policy on freedom of association
- Minutes of the workers committee meeting
- Interview with workers and management
- Interview with workers committee members
- Worker representative elected records

##### Any other comments:

Nil



A: 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	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box.  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Adequate facilities were provided to conduct related business, such as meeting room, suggestion box, etc.	
F: Name of union and union representative, if applicable:	NA. There was no trade union in the factory.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There was a workers committee in the factory and 2 worker representatives were selected by workers freely.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: March 1, 2021
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: One worker representative had been interviewed.	
L: Please describe any evidence that union/worker's committee is effective?	The latest meeting was conducted on October 15, 2021, it took about 30 minutes. Meeting minutes was produced and shared with the total workforce. The meeting records were provided for review.	

Specify date of last meeting; topics covered; how minutes were communicated etc.		
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If <b>Yes</b> , what percentage by trade Union/worker representation	M1: __NA__% workers covered by Union CBA	M2: __NA__% workers covered by worker rep CBA
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No collective bargaining agreement in the factory.	

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> NA

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective evidence observed:</b> NA

### 3: Working Conditions are Safe and Hygienic

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#### 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. Xie Shaoqin/Admin. Manager was responsible for issue of Health & Safety in the factory.
- Minutes of meetings show that there were monthly meetings between H&S committee and H&S manager.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- The factory provided potable water to workers free of charge in workshop.

##### 2. Fire Safety

- Evacuation plans were posted in workshop and understood by all interviewed workers.
- Sufficient fire fighting equipment such as fire extinguishers, fire alarm and hydrants in production buildings. Regular inspection was taken by the factory per month.
- There were at least two exits in each workshop.
- Fire drill was conducted in the factory on April 26, 2021 and September 23, 2021 and recorded.

##### 3. Electrical safety

- Electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- Qualified electricians were available at the site.

##### 4. Chemical safety

- Safety label and MSDSs were available for chemicals.
- Workers using chemical confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

##### 5. Medical services

- Sufficient first aid kits in each production area and they were well stocked.
- 2 trained first aiders were available in the factory, and the qualification certificates were provided for review.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records
- Fire safety certificate
- Chemical list and MSDS for each chemical
- Fire drill records
- Trained first aider register
- Accident records
- Interview with factory management and workers
- Onsite observation
- Worker interview and management interview

Any other comments:

Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Ms. Xie Shaoqin/Admin. Manager was responsible for issue of Health & Safety in the factory.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Employees' manual covered the EHS policies.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: The acceptance certificate of buildings was provided for review.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: visitors to the site were informed on H&S and provided with personal protective equipment.
E: Is a medical room or medical facility provided for workers?  If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local law requirement, while, first aid kit was available in workshop.
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No local law requirement, while, first aiders were available at the factory.

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: NA. Factory did not provide transport.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal storage space was provided in dormitory.
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: EHS risk assessments were conducted regularly with actions implementation.
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 factory provided EIA report, EIA approval for review.
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: Based on document review and management interview, it was acceptable.

### Non-compliance:

#### 1. Description of non-compliance:

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

Based on site observation, one sewing machine was not equipped with belt guard on the second floor of factory.

#### Local law and/or ETI requirement

##### General Rules of Design on Health and Safety of Production Facility (GB 5083-1999)

##### 6.1 Movable parts

6.1.1 Movable parts accessible to personnel shall be closed or isolated as far as possible.

6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation.

#### ETI Base Code 3.1

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

#### Recommended corrective action:

It is recommended that the factory should instal belt guard for the sewing machine.

#### Objective evidence observed:

(where relevant please add photo numbers)

1. Onsite observation.  
(Refer to NC photo 1)

## 2. Description of non-compliance:

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

Based on site observation, workers and management interview, the factory did not provide occupational health examinations for workers who worked with hazardous chemicals, such as: glue spraying workers.

### Local law and/or ETI requirement

#### Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35

For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational medical examination of employees according to the provisions of the health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational medical examination shall be assumed by the employer.

### ETI Base Code 3.1

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

### Recommended corrective action:

It is recommended that the factory should provide occupational health examinations to the mentioned workers.

## Objective evidence observed:

(where relevant please add photo numbers)

2. Onsite observation, workers and management interview

## 3. Description of non-compliance:

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

Based on site observation, the factory did not install facilities to prevent insects from entering in the kitchen and canteen, such as window screens.

### Local law and/or ETI requirement

#### General Hygienic Regulation for Food Production (GB 14881-2013), Article 6.4.2

Develop and implement pest control actions and carry out check regularly. Have effective measures (i.e. pest proof screen doors and windows, rodent guards and traps, insect traps or lights, vertical air curtain doors, etc.) to deter infestation of rodent and insects in the food production workshops and warehouses. If pest infestation damage was identified, food producers shall trace the source and eliminate any possible danger.

### ETI Base Code 3.1

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

### Recommended corrective action:

## Objective evidence observed:

(where relevant please add photo numbers)

3. Onsite observation (Refer to NC photo 2)

It is recommended that the factory should have effective measures (i.e. pest proof screen doors and windows, insect traps or lights, vertical air curtain doors, etc.) to deter infestation of insects in the mentioned areas.

#### Observation:

**Description of observation:**

Nil

**Local law or ETI requirement:**

NA

**Recommended corrective action:**

NA

**Objective evidence observed:**

NA

#### Good Examples observed:

**Description of Good Example (GE):**

Nil

**Objective Evidence Observed:**

NA



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

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##### ETI

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

#### Current Systems and Evidence Examined

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

##### Current systems:

- The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employs and use any child labour under the age of 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post. Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour

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

##### Details:

- Policy on workers recruitment
- Personnel files including the ID card copies of workers
- Roster and labour contracts of all workers
- Worker interview and management interview

##### Any other comments:

Nil

A: Legal age of employment:	16
B: Age of youngest worker found:	20 years old born on February 24, 2001 and join the company on September 1, 2019.
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?  
[\(Go to clause 3 – Health and Safety\)](#)

☐ Yes  
☐ No NA  
 E1: If yes, give details

#### Non-compliance:

##### 1. Description of non-compliance:

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

**Local law and/or ETI requirement:**  
 NA

**Recommended corrective action:**  
 NA

**Objective evidence observed:**  
 NA

#### Observation:

**Description of observation:**  
 Nil

**Local law or ETI requirement:**  
 NA

**Comments:**  
 NA

**Objective evidence observed:**  
 NA

#### Good Examples observed:

**Description of Good Example (GE):**  
 Nil

**Objective Evidence Observed:**  
 NA

## 5: Living Wages are Paid

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

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

### ETI

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The local legal minimum wage was RMB 1550/month since July 1, 2018 (RMB 8.9 per hour) and RMB 1720/month since December 1, 2021 (RMB 9.89 per hour).
- All workers' wages were calculated by hourly rate. The factory paid at least RMB 8.9 per hour as minimum wage. The minimum wages met the local legal requirement.
- All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
- The wage was paid on around 30<sup>th</sup> of following month by cash and each worker was given a pay slip and signed for their wages.
- All workers are 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.
- Based on document review and management interview, the factory provided work-related injury, retirement, unemployment, medical and maternity insurance to 6 out of 27 eligible workers.

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

##### Details:

- Payroll records
- Attendance records
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Payslips of all interviewed workers
- Workers and management interview

##### Any other comments:

Nil

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Based on document review, there were 28 workers in the factory (including 1 worker reached retirement age). However, the factory only provided work-related injury, retirement, unemployment, medical and maternity insurance to 6 out of 27 eligible workers.</p> <p><b>Local law and/or ETI requirement:</b>  <b>Labor Law of the People's Republic of China (2018 Amendment)</b>  Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.  Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:  1. Retirement;  2. Illness or injury;  3. Disability caused by work-related injury or occupational disease;  4. Unemployment; and  5. Child-bearing.  ...</p> <p><b>ETI Base Code 5.1</b>  Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p><b>Recommended corrective action:</b>  It is recommended that the factory should provide 5 types of social insurance for all employees required by law.</p>	<p><b>Objective evidence observed:</b>  Social insurance payment receipts, workers interview and management interview</p>

Observation:	
<p><b>Description of observation:</b>  Nil</p> <p><b>Local law or ETI requirement:</b>  NA</p> <p><b>Comments:</b>  NA</p>	<p><b>Objective evidence observed:</b>  NA</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b></p>	<p><b>Objective Evidence Observed:</b></p>

The factory provided meals for all workers for free. Workers could choose to accept or give up meals provided by the factory freely.

Document review, site observation, workers interview and management interview.

## Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal 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
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day and 36 hours per month	B1: Maximum: 2 hours per day, 12 hours per week, 50 hours per month in December 2020 (random month); 2 hours per day, 12 hours per week, 58 hours per month in July 2021 (random month); 2 hours per day, 12 hours per week, 48 hours per month in October 2021 (current month).	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB 1550/month since July 1, 2018 (RMB 8.9 per hour) and RMB 1720/month since December 1, 2021 (RMB 9.89 per hour)	C1: At least RMB 8.9 per hour as minimum wage to workers.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage:	Legal minimum: 150% of normal wage rate for	D1: 150% of normal wage rate for	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	
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<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
A1: If <b>No</b> , why not?	N/A	
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from October 2021 (current) 10 samples from July 2021 (randomly selected) 10 samples from December 2020 (randomly selected)	
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If <b>Yes</b> , please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If <b>No</b> , please give details:
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> The factory paid at least RMB 8.9 per hour as minimum wage to workers, which was in compliance with legal requirement.
F: Please indicate the breakdown of workforce per earnings:	F1: <u>  0  </u> % of workforce earning under minimum wage F2: <u> 10 </u> % of workforce earning minimum wage F3: <u> 90 </u> % of workforce earning above minimum wage	
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Post allowance	
H: What deductions are required by law e.g. social insurance?	Social insurance, personal income tax	

Please state all types:			
I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that <b>have</b> been made.	Nil
		I2: Please list all deductions that <b>have not</b> been made.	1. Social insurance Please describe: According to workers' interview, the legal deductions were 100% paid by the factory.  2. Individual income tax Please describe: Not reach the starting point of the personal income tax or not deducted due to the income taxation reduction policy.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type  <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory provided all workers' attendance records from November 1, 2020 to December 16, 2021 and payrolls from November 2020 to October 2021 for review.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:		

basic needs of workers plus discretionary income).	The factory reviewed the wages yearly refer to local bureau etc.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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:

- The factory provided all workers' attendance records from November 1, 2020 to December 16, 2021.
- The working time of workers were recorded by fingerprint attendance system.
- Only one shift was available for workers (8:00-12:00; 13:30-17:30). All workers had at least one day off per seven days.
- Based on attendance records review, the workers' max daily OT was 2 hours, the max weekly OT was 12 hours and the max monthly OT was 58 hours
- The factory did not obtain any Comprehensive Working Hour System Approval.
- Through employees' interview, overtime is voluntary.

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

Details:

- Factory policy on working hours

- Local and national laws
- Computerized time logging system
- Workers contracts
- Sample pay slips with recorded hours all interviewed workers
- Attendance records showing highest and lowest hours over all employees.
- Quality and production records to cross check working hours
- Interview with workers and management

Any other comments:

Nil

### Non-compliance:

#### 1. Description of non-compliance:

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

The monthly overtime hours exceeded 36 hours. The factory provided attendance records from November 1, 2020 to December 16, 2021 for review. Based on the records, the monthly overtime of all 10 sampled workers exceeded 36 hours required by laws except February 2021. The maximum monthly overtime hours were up to 58 hours, which happened in July 2021.

#### Local law and/or ETI requirement:

##### Labor Law of the People's Republic of China, Article 41

The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

#### ETI Base Code 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 factory should make sure the overtime working hours of all workers are in accordance with legal requirement.

#### Objective evidence observed:

Document review, worker interview and attendance records review

### Observation:

#### Description of observation:

Nil

#### Local law or ETI requirement:

NA

#### Objective evidence observed:

NA

<b>Comments:</b> NA	
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Good Examples observed:	
Description of Good Example (GE): Nil	<b>Objective Evidence Observed:</b> NA

<b>Working hours' analysis</b> Please include time e.g. hour/week/month <a href="#">(Go back to Key information)</a>					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: Fingerprint attendance system				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in <b>all</b> 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 <b>yes</b> , please detail hours, %, types of workers affected and frequency Please give details: No standard/contracted working hours defined in contracts/employment agreements which exceeded 48 hours per week.			

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days.	
<b>Standard/Contracted Hours worked</b>		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		NA
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:
		NA
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day, 12 hours per week, 50 hours per month in December 2020 (random month); 2 hours per day, 12 hours per week, 58 hours per month in July 2021 (random month); 2 hours per day, 12 hours per week, 48 hours per month in October 2021 (current month).	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Maximum weekly working hours are 52 hours.	
K: Approximate percentage of total workers on highest overtime hours:	___90___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Contracts stated that overtime may be requested but it is voluntary.
<b>Overtime Premiums</b>		

M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: The factory paid adequate overtime wages to all workers as per legal requirements. 100% of workers were paid for overtime wages as local law together with normal wages, on a month basis.
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	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> <b>Overtime is voluntary</b> <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)	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

## 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:

- According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; Female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement
- There was no evidence of sexual harassment.

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

##### Details:

- The hiring and termination procedure
- Leave application records and employee handbook
- Labour contract
- Termination records
- Attendance and payroll records
- Training records
- Worker interview and management interview

##### Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>70</u> % A2: Female <u>30</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	About 2 women who were in skilled at sewing.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found  C1: Please give details: Based on worker interview and onsite observation, no negative evidences were identified.
---	---

Professional Development	
A: What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.

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

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> NA

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA



## 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:

- All workers were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
- All interviewed workers had received a signed labour contract.
- All workers' personal files were provided for review.

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

#### Details:

- The hiring and termination procedure
- Personal files
- Payroll records were provided for review
- Labour contracts
- Worker interview and management interview

#### Any other comments:

Nil



Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> NA

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA

## Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions  A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: NA
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected:

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

<b>Migrant Workers:</b> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	There were no foreign migrant workers the factory. 11 domestic migrant workers were from other provinces of China, such as Chongqing province, Anhui province and Fujian province, they worked in different positions in the factory.	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0  B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations:
D: Are Any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  D1: If yes, number and example of roles:	

## 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: N/A
C: If any checked, give details:	Nil

Agency Workers (if applicable)	
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	A1: Names if available: 0
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA

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

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

### 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:

- A site tour showed that all production processes were present in the factory.
- Cross check showed that no subcontractor and no home working present in the factory.
- The factory had established social accountability manual including sub-contracting control procedure.

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

Details:

- Site tour
- Materials in/out records
- Interview with management and workers
- Social accountability manual

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

Nil

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Nil

#### Local law and/or ETI /Additional Elements requirement:

NA

#### Recommended corrective action:

NA

#### Objective evidence observed:

NA

Observation:	
<b>Description of observation:</b> Nil	<b>Objective evidence observed:</b> NA
<b>Local law or ETI/Additional elements requirement:</b> NA	
<b>Comments:</b> NA	

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If <b>Yes</b> , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If <b>Yes</b> , 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 <b>Yes</b> , 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 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: There was legal department for workers to report such issues, also workers could raise grievances to local media, etc.
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	It was confirmed by worker interview.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, worker representative, etc
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: Workers could raise grievances to worker representative, supervisors, team leaders, or managers directly.
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



I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?

☐ Yes  
☒ No

II: If yes, please give details

### Current Systems and Evidence Examined

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

#### Current systems:

- The factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.
- There is an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.
- The duties of security guard were to protect safety of factory's property, to regularized entrance/exit of goods/ vehicles/ employees/ visitors.

#### 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
- Worker interview and management interview

Any other comments:

Nil

### Non-compliance:

#### 1. Description of non-compliance:

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

#### Local law and/or ETI requirement:

NA

#### Recommended corrective action:

NA

#### Objective evidence

observed:  
NA

### Observation:

<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA
---	---

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA

## 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:

- Based on document review, management and worker interview, all workers in the factory were Chinese. Some employees were migrant workers which came from other provinces. All workers had the proper legal rights to work in this region. The youngest worker in the factory was 20 years old. All of them were recruited directly by the factory and no agency was involved in the factory's recruitment processes.
- Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No agency staff or foreign worker was used by the factory.
- The factory collected related laws on entitlement to work and immigration.

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

##### Details:

- Hiring procedure
- Personnel files and labour contracts
- Employee handbook
- Employee roster
- Worker interview and management interview

##### Any other comments:

Nil

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Nil

#### Local law and/or ETI /Additional Elements requirement:

NA

#### Recommended corrective action:

NA

#### Objective evidence observed:

NA

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI/Additional Elements requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

Good examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA

### 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:

- Based on document review and confirmed with factory management, the factory compiled EIA and obtained EIA approval from environmental authority.
- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on workers interview, they were trained on environmental protection.
- The factory management maintained legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations.
- The factory had procedure on environment protection and Ms. Xie Shaoqin/Admin. Manager was appointed as response for environment performance.

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

Details:

- Environmental policy and procedure
- Legally required environmental documents
- Worker and management interview
- Site tour
- EIA report and EIA approval

Any other comments:

Nil

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Nil

#### Local law and/or ETI /Additional Elements requirement:

NA

#### Recommended corrective action:

NA

#### Objective evidence observed:

NA

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI/Additional Elements requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

Good examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> NA

Other findings

Other Findings Outside the Scope of the Code
Nil

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

## Appendix 1

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

☒ Not Applicable please x




## Photo Form

### Non-compliance Photos:

		NA
NC 1: Sewing machine was not equipped with belt guard.	NC 2: The factory did not install facilities to prevent insects from entering in the kitchen, such as window screens.	Nil

### GE Photos:

	NA	NA
GE 1: The factory provided meals for all workers for free.	Nil	Nil

### General Site Tour Photos:

		
Factory Name	Factory Entrance	GPS



Office Building



Production Building



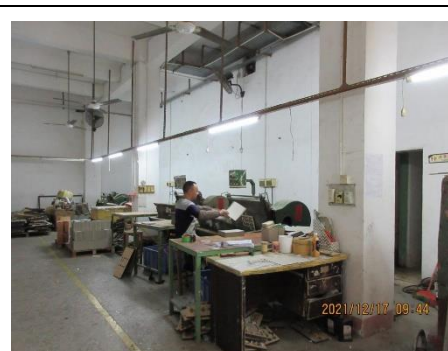
Raw Material Storage Area



Finished Product Storage Area



Cutting



Cutting



Glue Spraying (no production)



Folding



Sewing



Inspection and Packing



Warning Sign on Electric Box



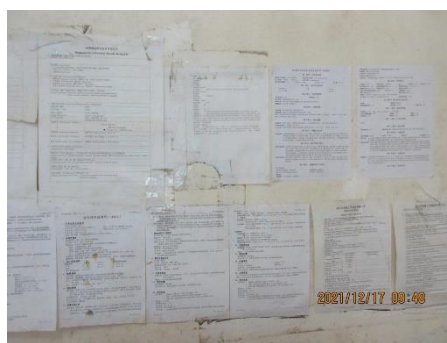
Fire Hydrant



Fire Extinguishers	Exit Sign and Emergency Light	Exit Indicator Sign
Evacuation Plan	Fire Alarm	Emergency Exit
Protective Gloves	Activated Carbon Masks	Drinking Water Facility
First Aid Kit	Toilet	Chemicals Storage Area



Chemicals with Safety Labels



MSDS Posted Onsite



Eye wash Facility



Warning Signs



Warning Signs



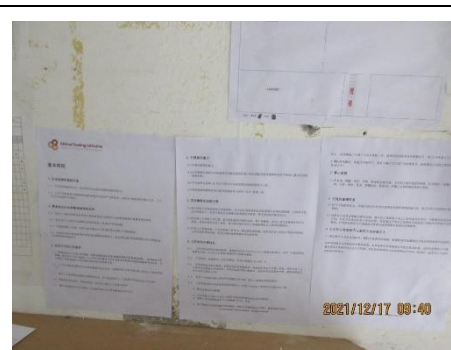
Suggestion Box



Attendance Recorder



Business License



ETI Code Posted Onsite



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

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

**[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)**

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