




# Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: 1051044	Sedex Site Reference: (only available on Sedex System)	ZS: 1004652
Business name (Company name):	Friend Gifts Manufactory		
Site name:	Friend Gifts Manufactory 东莞市朋友礼品制品厂		
Site address: (Please include full address)	3/F, No. 20, Tianxin Street, Chongkou 2nd Industrial Area, Shijie Town, Dongguan City, Guangdong Province, China 中国广东省东莞市石碣镇涌口第二工业区田心街20号3楼	Country:	China
Site contact and job title:	Ms. Tan Jianfei / Admin. Supervisor		
Site phone:	86-769-81300371	Site e-mail:	Pylp005@126.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	27 <sup>th</sup> April 2022		

<b>Audit Company Name &amp; Logo:</b>  	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  <b>Friend Gifts Manufactory</b>
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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)

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

## SMETA Declaration

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

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

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

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

Lead auditor:	Fiona Li	APSCA number:	CSCA 21700387
Lead auditor APSCA status:	CSCA		
Team auditor:	Ellen Lu	APSCA number:	CSCA 21700389
Interviewers:	Fiona Li, Ellen Lu	APSCA number:	CSCA 21700387, CSCA 21700389

Report writer: Fiona Li

Report reviewer: Hebe Huang

Date of declaration: 27<sup>th</sup> April 2022

*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) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	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	<ul style="list-style-type: none"> <li>NC: None observed</li> <li>OB: None observed</li> <li>GE: None observed</li> </ul>
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC: None observed</li> <li>OB: None observed</li> <li>GE: None observed</li> </ul>
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC: None observed</li> <li>OB: None observed</li> </ul>

									<ul style="list-style-type: none"> <li>GE:</li> <li>None observed</li> </ul>
2	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
3	<u>Safety and Hygienic Conditions</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>1. No safety label for chemical.</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>1. Insufficient social insurance participated.</li> <li>OB:</li> </ul>

									<ul style="list-style-type: none"> <li>• None observed</li> <li>• GE:</li> <li>• None observed</li> </ul>
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	<ul style="list-style-type: none"> <li>• NC:</li> <li>• 1. Monthly overtime hours exceeded the legal requirement.</li> <li>• 2. Total weekly hours exceeded the requirement of ETI.</li> <li>•</li> <li>• OB:</li> <li>• None observed</li> <li>• GE:</li> <li>• None observed</li> </ul>
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>• NC:</li> <li>• None observed</li> <li>• OB:</li> <li>• None observed</li> <li>• GE:</li> <li>• None observed</li> </ul>
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>• NC:</li> <li>• None observed</li> <li>• OB:</li> <li>• None observed</li> <li>• GE:</li> <li>• None observed</li> </ul>

8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>Not applicable, this was a 4-Pillar audit.</li> </ul>
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> </ul>

									<ul style="list-style-type: none"> <li>GE:</li> <li>None observed</li> </ul>
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>NC:</li> <li>None observed</li> <li>OB:</li> <li>None observed</li> <li>GE:</li> <li>None observed</li> </ul>
General observations and summary of the site:									
<p>Site summary</p> <ul style="list-style-type: none"> <li>The products manufactured at this site were PVC and silicone products.</li> <li>Overall responsibility for meeting the standards was taken by Ms. Tan Jianfei / Admin. Supervisor.</li> <li>A total of 37 employees including 35 non-management employees and 2 management employees were working in the facility. There were 3 local employees in the facility. Migrant employees mostly came from Guangxi, Shanxi, Hubei, Jiangxi, Hunan and Henan. All employees were employed by the facility directly.</li> <li>The youngest employee on site was 21 years old.</li> <li>There was a worker committee in the facility. One worker representative present at the opening meeting, during the audit and closing meeting.</li> <li>There was no union at this facility.</li> <li>There was evidence of both male and female in management and supervisor. The distribution was Male 50%, Female 50%.</li> <li>The peak month was not obvious according to the facility management.</li> <li>No subcontractor was used by the facility.</li> <li>10 employees were randomly selected for interview; 4 employees were selected for group interview in 1 group and 6 employees were interviewed individually.</li> <li>12 months' payroll records from April 2021 to February 2022 were available for review on the audit day. Attendance records for the period from 14<sup>th</sup> May 2021 (Last audit date) to 27<sup>th</sup> April 2022 (audit day) were provided for review. Randomly sampled 10 employees' payrolls and attendance records from February 2022 (current month), October 2021 (random month) and July 2021 (random month) for further checking on status of wages and working hours.</li> <li>Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week.</li> <li>Based on the provided attendance records and payrolls, overtime working was paid correctly.</li> <li>Based on the provided attendance records, the status of overtime hours in sample was as below:</li> </ul>									

Daily overtime hours:

0-3 hours in February 2022 (current month),  
0-3 hours in October 2021 (random month),  
3 hours in July 2021 (random month).

Weekly working hours:

0-66 hours in February 2022 (current month),  
45-66 hours in October 2021 (random month),  
19.5-66 hours in July 2021 (random month).

Monthly overtime hours:

0-59 hours in February 2022 (current month),  
7.5-109 hours in October 2021 (random month),  
4-98 hours in July 2021 (random month).

**Additional Auditor Remark:**

Facility abides by all current Federal and State regulations with respect to COVID-19. Social Distancing is enforced, masks are required, employee/visitor temperature is taken upon entrance to the facility. Verification employee/visitor current physical condition is verified via completion of a questionnaire.

*\*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:	Friend Gifts Manufactory	
B: Site name:	Friend Gifts Manufactory 东莞市朋友礼品制品厂	
C: GPS location: (If available)	GPS Address: 3/F, No. 20, Tianxin Street, Chongkou 2nd Industrial Area, Shijie Town, Dongguan City, Guangdong Province, China 中国广东省东莞市石碣镇涌口第 二工业区田心街 20 号 3 楼	Latitude: not provided Longitude: not provided
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No.: 914419005779378500 Valid Date: Long term	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	PVC and Silicone products	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Friend Gifts Manufactory was located at 3/F, No.20, TianXin Street, ChongKou 2nd Industrial Area, Shijie Town, Dongguan City, Guangdong Province, China. The total area occupied by the facility was about 1800 square meters. They started their operation at the existing location since 8<sup>th</sup> July 2011.</p> <p>A total of 37 employees including 35 non-management employees and 2 management employees were working in the facility. There were 3 local employees in the facility. Migrant employees mostly came from Guangxi, Shanxi, Hubei, Jiangxi, Hunan and Henan. All employees were employed by the facility directly.</p> <p>All employees worked for 5 days a week in one shift. The normal working hour was from 8:00 to 18:00 with 1.5 hours' break for lunch from 12:00 to 13:30 and 0.5 hour's overtime from 17:30 to 18:00. Finger printing system was used for time keeping for employees. Every employee should scan their fingers when they went in or out of the workshop. Employees were calculated on an hourly rated basis which was paid monthly by cash. The peak month was not obvious according to the management.</p> <p>The facility used the 3/F of one 5-storey building as production workshop, office and warehouse; no dormitory, canteen or kitchen was provided by the facility.</p> <p>Please refer to below table for details,</p>	

	Production Building	Description	Remark, if any
	Floor 1	Occupied by Dongguan Shun Da Furniture Decoration Metal products Manufactory	Size: 1 650 square meters. Year of establishment: 2000
	Floor 2	Occupied by Dongguan Senyu Machinery Co., Ltd.	Same as above
	Floor 3	Office, warehouse, rubber mixing, molding, trimming, inspection and packing.	Same as above
	Floor 4	Occupied by Dongguan Shun Da Furniture Decoration Metal products Manufactory	Same as above
	Floor 5	Occupied by Dongguan Shun Da Furniture Decoration Metal products Manufactory	Size: 1 650 square meters. Year of establishment: 2001
	Is this a shared building?	Yes	Auditors were not allowed to conduct walkthrough in above areas used by other facilities, but per employees' interview and management interview, there was different management from the audited facility. No employees were mingling between the audited facility and other facilities. And relevant documents, such as lease contract and the business licenses were provided for review.

	<table border="1" data-bbox="678 205 1448 363"> <tr> <td data-bbox="678 205 933 363"></td><td data-bbox="933 205 1177 363"></td><td data-bbox="1177 205 1448 363">Due to the above mentioned, only the audited facility was included in the audit scope.</td></tr> </table> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  F2: Please give details: N/A</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details: The facility had provided construction safety certificate for production building for review.</p>			Due to the above mentioned, only the audited facility was included in the audit scope.
		Due to the above mentioned, only the audited facility was included in the audit scope.		
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 month was not obvious according to the management.			
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main products manufactured by the facility were PVC and silicone products.</p> <p>The main production processes are listed as follows: Rubber mixing, molding, trimming, inspection and packing.</p> <p>Total machines per type were: molding machines: 17 sets; rubber mixing machines: 2 sets, etc.</p>			
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation: N/A. No dormitory, canteen or kitchen was provided by the facility.			

<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: N/A</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  N1: If no, please give details: N/A. No dormitory, canteen or kitchen was provided by the facility.</p>

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:30 A2: Day 1 Time out: 15:40	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1.5 (2 auditors in 1 day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Tan Jianfei / Admin. Supervisor		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	13 <sup>th</sup> May 2021		
J: Previous audit type:	Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

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

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	2	0	0	15	0	0	0	17
Worker numbers – female	1	0	0	17	0	0	0	18
Total	3	0	0	32	0	0	0	35
Number of Workers interviewed – male	0	0	0	6	0	0	0	6
Number of Workers interviewed – female	0	0	0	4	0	0	0	4
Total – interviewed sample size	0	0	0	10	0	0	0	10

Remark: Auditors added two managers from area of Environment and Business Ethics for interview.



A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: <u>China</u></p> <p>B2: Nationality 2: <u>N/A</u></p> <p>B3: Nationality 3: <u>N/A</u></p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: There was no peak season in the facility.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u></p> <p>C1: approx % total workforce: Nationality 2 <u>N/A</u></p> <p>C2: approx % total workforce: Nationality 3 <u>N/A</u></p>	
D: Worker remuneration (management information)	<p>D: <u>0</u>% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: <u>0</u>% salaried workers</p> <p>Payment cycle:</p> <p>D3: <u>0</u>% daily paid</p> <p>D4: <u>0</u>% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: <u>0</u>% other</p> <p>D7: If other, please give details N/A</p>	



Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (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)	4 employees in one group.	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 4	D2: Female: 2
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details: N/A	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	No complaint was reported by the interviewees.	
I: What did the workers like the most about working at this site?	Wages were always paid on time.	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	Through employees' interview it was confirmed that overtime was voluntary.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: N/A		
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*

Total 10 employees were selected for interview. 6 employees were selected for the individual interview and 4 employees in one group were selected for the group interview. Through employees' interviews, all employees were satisfied with the facility's working environment and salary level, no negative information was raised.

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*

One worker representative was selected to interview. She was favourable with the management and facility environment, and no negative information was raised.

O: Attitude of managers:

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

The management was cooperative throughout the process of the audit. The documentations requested were provided for review timely. All areas were allowed access for tour, and a private room was provided for employees' interview. During closing meeting, the managements were receptive to all findings and stated that they would make improvement for all raised findings continually.

## 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:

- This facility had established relevant policy and endorsed at the highest level to cover the human rights impacts and issues, and such policy had been communicated to all appropriate parties, including its own suppliers.
- The facility designated Ms. Tan Jianfei / Admin. Supervisor to responsible for implementing standards concerning Human rights.

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

##### Details:

- Policy regarding human rights issues was provided for review.
- Appointment letters to enhance the implement of human right issues.
- Training records provided for employees regarding communications and acknowledgement.
- Written social compliance commitments from suppliers and the assessment records for suppliers
- Management interview and employee interview.

Any other comments: Nil

A: Policy statement that expresses commitment to respect human rights?

☒ Yes  
☐ No

	A1: Please give details: The facility had a policy expressed that the facility would respect the 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: any issue concerning human rights could be raised to the designed responsible person. Name: Ms. Tan Jianfei Job title: Admin. Supervisor
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 facility did not disclose the reporter's information of and ensure the reporter will not be revenged.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  D1: If no, please give details: The facility had a grievance mechanism meet with UNGP requirement.
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  E1: Please give details: The facility provided the relevant training of privacy procedures to employees on new employee orientation.

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

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

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## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __8__ %	A2: This year __7__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	5%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __0__ %	C2: This year __0__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Please describe: According to management interview, no work-related injury was occurred in past 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 0 Number: 0	F2: This year: 0 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___85___% workers	J2: 12 months ___85___% workers
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### 0B: Management system and Code Implementation

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

O.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.  
O.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  
O.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.  
O.B.4 Suppliers are expected to communicate this Code to all employees.  
O.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

### Current Systems and Evidence Examined

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

#### Current systems:

- The facility implemented and maintains systems for delivering compliance to this Code.
- Ms. Tan Jianfei / Admin. Supervisor was responsible for compliance with the Code.
- The facility communicated this Code to all employees by training as confirmed by training.
- The facility communicated the set objectives to its suppliers through providing copy of written policies and conducting annual assessment to monitor suppliers' compliance status.

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

##### Details:

- Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
- Company Manual contains details of Code with the commitment of business and integrity aligned with the ETI's requirement and local law.
- Assessment records for suppliers.
- Management interview and employee interview.

Any other comments: Nil

### Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No any fines/prosecutions.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	B1: Please give details: The facility had established a written policy to prohibit forced labour, child labour, discrimination, harassment & abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	This policy was communicated to employees via training. Through reviewing documents and employees' interview, they stated that no forced labour or child labour case happened, both female and male employees among management staffs and supervisors.
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: Through document review, auditors found that the facility had provided training on forced labour, child labour, discrimination, harassment and abuse to all employees through orientation training and annual refresh training.
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: Training records including annual refresh training and orientation training were provided to managers and employees. This was also confirmed through management and employee interview.
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: N/A
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: The facility had Human Resources department which was in charge of the recruitment of employees, assignment of employees' post etc.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Tan Jianfei / Admin. Supervisor
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: All employees' personal files were kept in office. And only the authorized employees access to these document.

J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' personal files were kept in office. And only the authorized employees access to these document.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility conducted risk assessment regularly to evaluate policy and procedure effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The facility had a documented procedure and assessments that periodic risk checked regularly. And the facility would take correct action when risk was identified.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had a written policy and procedure to evaluate and select suppliers based on their performance and commitment towards labour standards.
<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: The house property ownership certificate 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: The facility had system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility had compensated the owner for the land prior to the facility being built.

<p>R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  R1: Please give details: No evidence was provided.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  S1: Please give details: There was no evidence of illegal appropriation of land for facility buildings.</p>

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

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

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

## 1: Freely Chosen Employment

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

### ETI

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The interviewed employees raised no concerns of forced or bonded labour. They stated that they were free to leave their working stations once their shifts end.
- The interviewed employees stated that they are not required to pay any 'deposits' or leave their ID cards with the employer.
- Facility tour showed that no sign of employees being under pressure.

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

##### Details:

- The facility's policy to ensure employment was freely chosen was reviewed. The policy included the following clause: the facility did not require deposit or withhold employees' ID cards; the facility did not limit the employees' freedom; there was no forced, bonded or involuntary prison labor; and employees were free to resign after reasonable notice.
- Employment contracts were reviewed and they contained the notice periods.
- Management interview and employee 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: N/A
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: N/A
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: N/A

D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
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: N/A
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: Social compliance requirement was communicated to employees through orientation training and annual refresh training.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility communicated the social compliance requirement all suppliers and monitored their performance regularly.

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

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

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

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

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

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

### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

- Through management interview and employee interview, it was noted that management has an open attitude towards worker committee. Employees also can raise their concerns through suggestions box and their supervisor.
- According to facility management interview, they never interfered in any legal activities which were organized by their employees.
- There was an employee representative committee in the facility.
- There was no union at the facility.
- Employee interview confirmed that the members of the employee representative committee had been selected by fellow employees.

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

##### Details:

- Site policy on freedom of association
- Interview with employees
- Interview with one employee representative
- Interview with management
- Employee representative election records
- Meeting minutes of employee representative committee

Any other comments: Nil

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

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

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

- ☐ Yes
- ☒ No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggest boxes or verbal exchange  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The worker committee could use meeting rooms freely.	
F: Name of union and union representative, if applicable:	N/A. There was no union at the facility.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	A workers committee in place with 3 employee representatives elected by the employees to represent each section of the facility.	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: 19 <sup>th</sup> March 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 Yes, please state how many: 1 worker representative joined the employee's interview (1 female)	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The latest meeting between worker representatives and management was conducted on 16 <sup>th</sup> February 2022. The meeting minutes were covered discussing health and safety issues raised by employees. The minutes were communicated to all employees via the notice board.	
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: ____% workers covered by Union CBA N/A. No Collective Bargaining Agreement existed in this facility.	M2: ____% workers covered by worker rep CBA N/A. No Collective Bargaining Agreement existed in this facility.
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement existed in this facility.	

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

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

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

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

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

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

### Current Systems and Evidence Examined

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

#### Current systems:

##### 1. General Health and Safety management

- Ms. Tan Jianfei / Admin. Supervisor was responsible for the Health & Safety management in the facility.
- Potable water was freely available in all areas.
- Sufficient clean toilets segregated by gender were available at all times to employees.
- Ventilation, temperature and lighting were adequate for the production processes.
- The fire certificate and the construction safety certificate for the production building were provided for review.
- Evaluation on occupational hazard factors was conducted and the report was available for review on the assessment day.
- The facility provided occupational health check to employees contacting with hazardous factors.

##### 2. Fire Safety

- There were at least 2 exits from each work area and these exits were clearly marked.
- Firefighting equipment was adequate, and the checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all employees interviewed
- Fire drills were conducted twice per year.
- Fire training was provided to all employees.
- Fire alarm, fire hydrant and fire extinguishers were installed at production area.
- All fire exits were unlocked during work time.

##### 3. Electrical safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- Valid electrician license was provided for review.

##### 4. Medical services

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

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

Details:

- Health and safety policy
- Training records
- Fire equipment maintenance records
- The fire certificate and the construction safety certificate for the production building
- Fire drill records
- Trained first aider register
- Interviews with person in charge of health & safety
- Occupational factors testing report
- Occupational health examination report
- Employee interview and management interview
- Facility tour

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: The facility established health and safety policies and procedures, and the policies and procedures were communicated to employees through training.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The health and safety policies were included in the worker's manual.
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: N/A
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: The facility would introduce the Health & Safety policy to visitor and provided with personal protective equipment if necessary.
E: Is a medical room or medical facility provided for workers?  If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room was provided as no such legal requirement was required.
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 doctor or nurse was available on site, but first aiders were available.

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 checked="" type="checkbox"/> No G1: Please give details: The facility did not provide transportation to employees.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A. No dormitory was provided by the facility.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility conducted H&S risk assessments regularly and the records were provided to review.
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: Environmental documents for completed construction project were provided for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details: No such chemical was used by this facility.

### Non-compliance:

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

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

No safety label for chemical. During facility tour, auditor found that there was no label for chemicals (such as harden agent) stored at chemical warehouse on 3/F at production building.

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

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

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.

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

#### Recommended corrective action:

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

#### Objective evidence observed:

(where relevant please add photo numbers)

Facility tour, please refer to NC photo 1

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

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

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

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

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

##### ETI

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

#### Current Systems and Evidence Examined

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

##### Current systems:

- No child was employed by the facility.
- The facility verified all employees' original ID cards before recruitment and kept the copies of employee' ID cards in the personnel files.

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

##### Details:

- The employee's personnel files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
- The facility's policy on child labour was reviewed. It stated that the facility would never employ and use any child labor under the age of 16 years old.
- On site observation.
- Management and employee interview.

Any other comments: Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	21 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	N/A. No juvenile was observed.
E: Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<a href="#">(Go to clause 3 – Health and Safety)</a>	E1: If yes, give details N/A
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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: None observed  <b>Local law and/or ETI requirement:</b> Not applicable  <b>Recommended corrective action:</b> Not applicable	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i> Not applicable

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

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

## 5: Living Wages are Paid

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

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

### ETI

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

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

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

## Current Systems and Evidence Examined

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

### Current systems:

- All employees were provided with the written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- The local minimum wage standard was set at RMB 1900 per month equivalent to RMB 10.92 (1900 /21.75/8) per hour since 1<sup>st</sup> December 2021 and RMB 1720 per month equivalent to RMB 9.89 (1720 /21.75/8) per hour before 1<sup>st</sup> December 2021. Based on the payroll records provided by the facility, the basic wage was set at RMB 10.92 per hour.
- Employees received 150% and 200% of normal rate for the overtime on regular days and rest days. No overtime on Statutory Holidays was observed during the audit and per reviewing the employee handbook, 300% of normal wage would be paid when it occurred.
- As per the provided social insurance receipts and employee interview, not all employees had participated in all types of social insurance.
- Annual leave and maternity leave were provided to employees as per legal requirements.
- All employees were paid at the end of each month by cash, and each employee was given a pay slip and signed for their wages.

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

#### Details:

- Wages and benefits policy
- Local legal minimum wage standard documents
- Social insurance payment invoices
- Labour contracts
- Leave records
- Resignation records
- Employees' interview
- Payroll records from April 2021 to February 2022 and attendance records from 14<sup>th</sup> May 2021 to 27<sup>th</sup> April 2022 were reviewed.
- Production records reviewed (daily production records, warehouse in & out records and QC records from 14<sup>th</sup> May 2021 to 27<sup>th</sup> April 2022).
- Employee interview and management interview

- Facility tour

Any other comments: Nil

### Non-compliance:

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

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

Insufficient social insurance participated. Through document review (Social insurance receipt of April 2022), auditor found that a total of 37 employees were working in the facility in April 2022, 26 out of 37 employees had participated in basic endowment, unemployment insurance, maternity insurance, employment injury insurance and basic medical insurance. Remark: the facility had provided a group commercial insurance to 12 employees with valid period from 9th June 2021 to 8th June 2022.

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

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

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

#### Recommended corrective action:

It was recommended that the facility should communicate with employees to expand the social insurance coverage.

#### Objective evidence observed:

(where relevant please add photo numbers)

Social insurance receipt review.

### Observation:

#### Description of observation:

None observed

#### Objective evidence observed:

Not applicable

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

### Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal minimum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal minimum: Not exceed 3 hours per day and 36 hours per month	B1: Daily overtime hours: 0-3 hours in February 2022 (current month), 0-3 hours in October 2021 (random month), 3 hours in July 2021 (random month).  Weekly working hours: 0-66 hours in February 2022 (current month), 45-66 hours in October 2021 (random month), 19.5-66 hours in July 2021 (random month).  Monthly overtime hours: 0-59 hours in February 2022 (current month), 7.5-109 hours in October 2021 (random month),	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.

		4-98 hours in July 2021 (random month).	
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: The local minimum wage standard was set at RMB 1720 per month equivalent to RMB 9.89 (1720 /21.75/8) per hour since 1 <sup>st</sup> July 2018.	C1: RMB 10.92 per hour.	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: The employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: to pay no less than 150% of the normal wages if the extension of working hours is arranged; to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; To pay no less than 300% of	D1: Based on the payroll records provided by the facility, minimum overtime wage was paid: 150% and 200% of the normal wages for overtime hours on weekdays and rest days respectively. No overtime on Statutory Holidays was observed during the audit and per reviewing the employee handbook, 300% of normal wage would be paid when it occurred.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.

	the normal wages if the extended hours are arranged on statutory holidays.		
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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 <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 samples in February 2022 (current month) 10 samples in October 2021 (random month) 10 samples in July 2021 (random month)	
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: N/A
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If <b>No</b> , please give details: N/A
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input 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>  RMB 10.92 per hour.
F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: __100__% of workforce earning minimum wage F3: ____% of workforce earning above minimum wage	
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: Performance bonus.  <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>  Performance bonus: RMB 300-1200 per month	
H: What deductions are required by law e.g. social insurance?	Social insurance: basic endowment, unemployment, maternity and basic medical	

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

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 facility rules review, payroll records review and employees' 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: N/A

## 6: Working Hours are not Excessive

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

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### 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:

- Overtime was voluntary through employees' interview.
- Finger printing system was used for time keeping for employees.
- The normal working hours were 8 hours per day and 40 hours per week.
- The peak month was not obvious according to the management.
- According to provided attendance records, the maximum overtime hour was 109 hours a month and 3 hours a day and the maximum weekly working hours was 66 hours a week. All employees had one day off per week.

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

Details:

- Working hours policy/procedure

- Employees contracts
- Attendance records from 14<sup>th</sup> May 2021 to 27<sup>th</sup> April 2022.
- Production records such as daily production records, warehouse in & out records and QC records from 14<sup>th</sup> May 2021 to 27<sup>th</sup> April 2022 were reviewed.
- Training records
- Employees' interview and management interview
- Facility tour

Any other comments: Nil

### Non-compliance:

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

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

Monthly overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 7 out of 10 randomly selected employees were 49-59 hours in February 2022 (current month); and the monthly overtime hours of 9 out of 10 randomly selected employees were 90.5-109 hours in October 2021 (random month); and the monthly overtime hours of 8 out of 10 randomly selected employees were 73-98 hours in July 2021 (random month).

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

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

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

#### Recommended corrective action:

It is recommended that the facility should reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month.

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

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

Total weekly hours exceeded the requirement. Through document review, auditor found that total working hours per week of 7 out of 10 randomly selected employees were 66 hours in February 2022 (current month), of 9 out of 10 employees were 66 hours in October 2021 (random month) and of 8 out of 10 employees were 60.5-66 hours in July 2021 (random month).

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

#### Objective evidence observed:

(where relevant please add photo numbers)  
Attendance records review

#### Objective evidence observed:

(where relevant please add photo numbers)  
Attendance records review

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

**ETI 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.

**Recommended corrective action:**

It is recommended that the facility should ensure weekly hours were within 60 hours per week.

**Observation:**

**Description of observation:**

None observed

**Local law or ETI requirement:**

Not applicable

**Comments:**

Not applicable

**Objective evidence observed:**

Not applicable

**Good Examples observed:**

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

None observed

**Objective Evidence Observed:**

Not applicable

**Working hours' analysis**

Please include time e.g. hour/week/month

[\(Go back to Key information\)](#)

**Systems & Processes**

A. What timekeeping systems are used: time card etc.

Describe: Finger printing 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 N/A						
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: N/A					
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate: <table border="1" style="width: 100%;"> <tr> <td><input type="checkbox"/> 0 hrs</td> <td><input type="checkbox"/> Part time</td> <td><input type="checkbox"/> Variable hrs</td> <td><input type="checkbox"/> Other</td> </tr> </table> If "Other", Please define: N/A		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other				
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: N/A					
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: N/A	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					
		All sampled employees' maximum worked consecutively 6 days during the sampled months.					
<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: N/A					
	<input type="checkbox"/> Yes	H1: If yes, please give details:					

H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input checked="" type="checkbox"/> No	N/A
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	<p>Highest OT hours:</p> <p>Daily overtime hours: 3 hours in February 2022 (current month), 3 hours in October 2021 (random month), 3 hours in July 2021 (random month).</p> <p>Weekly working hours: 66 hours in February 2022 (current month), 66 hours in October 2021 (random month), 66 hours in July 2021 (random month).</p> <p>Monthly overtime hours: 59 hours in February 2022 (current month), 109 hours in October 2021 (random month), 98 hours in July 2021 (random month).</p>	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Based on sampled months, auditors found that total working hours per week of 7 out of 10 randomly selected employees were 66 hours in February 2022 (current month), of 9 out of 10 employees were 66 hours in October 2021 (random month) and of 8 out of 10 employees were 60.5-66 hours in July 2021 (random month).</p>
K: Approximate percentage of total workers on highest overtime hours:	___85___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</p> <p>Through employees' interview, all randomly selected employees stated that they worked overtime on their wills. And they could refuse to work overtime if they did not want to. Through document review, it was noted that the facility did not use monetary penalties as disciplinary means.</p>
<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	<p>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:</p> <p>100% employees were paid monthly at a premium as per below:</p>

	requirement to OT premium	150% of the normal wages for the overtime hours on weekdays. 200% of the normal wages for overtime hours on rest days. No overtime on Statutory Holidays was observed during the audit and per reviewing the employee handbook, 300% of normal wage would be paid when it occurred.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% employees were paid legal premium rate monthly.
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 N/A	
	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 checked="" 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) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	Through employee interview, all overtime hours were voluntary.	
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: N/A	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. There was no such circumstance through management interview.	

## 7: No Discrimination is Practiced

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

### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The facility tour showed workforce was comprised of male and female employees.
- The interviewed employees stated that there was no issue of discrimination in this facility.
- Through management interview and employee interview, it was noted that female employees were not asked for any pregnancy test.

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

##### Details:

- Employment contracts were provided for review and they showed that male and female employees were on the same pay grade.
- The facility rule indicated that there was no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on age, disability or gender, etc.
- Facility tour
- Management interview and employee interview

Any other comments: Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __50__ % A2: Female __50__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	No such role in the facility.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement

	<input checked="" type="checkbox"/> No evidence of discrimination found  C1: Please give details: N/A
--	---

Professional Development	
A: What type of training and development are available for workers?	Working skills and private capability improvement training, Health and Safety training and etc. were provided to employees.

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: N/A
--	---

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

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

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

## 8: Regular Employment Is Provided

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

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

### ETI

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

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

### Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current systems:

- The facility had signed labour contracts with all employees of the audited facility within one month when they were recruited, and the probationary period was in compliance with the requirements of local law.
- All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditor.

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

#### Details:

- Personnel files of all employees were provided for review and they all include a copy of employee's contract.
- The facility rule indicated that every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- Management interview and employee 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: None observed  <b>Local law and/or ETI requirement:</b> Not applicable  <b>Recommended corrective action:</b> Not applicable	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i> Not applicable

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

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

## Responsible Recruitment

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

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

<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:	All types of work in the facility include migrant workers.	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: N/A B2: Total number of (outside of local country) recruitment agencies used: N/A	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: All types of work (including management) in the facility include migrant	

Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	employees. Such as the Production Manager, QC supervisor were migrant employees.
--	--

## 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 N/A B1 – If other, please give details: N/A
C: If any checked, give details:	Management interview, employees interview and document review.

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: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  D1: Please give details: N/A. No labour agency was used.
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 N/A E1: Please give details: N/A. No labour agency was used.

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: N/A
B: If <b>Yes</b> , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	N/A

### 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:

• It was verified through document review, facility tour, management interview and employee interview that no sub-contracting & Home-working was used by this facility.

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

Details:

- Production records such as daily production records, warehouse in & out records and QC records from 14<sup>th</sup> May 2021 to 27<sup>th</sup> April 2022 were reviewed.
- Facility tour
- Management interview and employee interview

### Non-compliance:

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

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

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

Not applicable

#### Recommended corrective action:

Not applicable

#### Objective evidence observed:

*(where relevant please add photo numbers)*

Not applicable

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

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

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: The facility provided a grievance mechanism to employees (such as worker representatives and suggestion box) to report any violations of Labour standards and H&S or any other grievances. And the reporter would be confidential for all reporters.
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	Through employees' interview, all randomly selected employees stated that they were aware of this channel.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Worker representatives and suggestion box
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Use anonymous to report any issues through the grievance mechanism without any punishment or vengeance.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A
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 N/A
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A

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 N/A
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  I1: If yes, please give details N/A

### 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:

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

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

##### Details:

- The policy on prevention of harassment and abuse
- Internal grievance procedure
- Training records
- Employees' interview and management interview
- Facility tour

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: None observed  <b>Local law and/or ETI requirement:</b> Not applicable  <b>Recommended corrective action:</b> Not applicable	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i> Not applicable
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Observation:	
<b>Description of observation:</b> None observed  <b>Local law or ETI requirement:</b> Not applicable  <b>Comments:</b> Not applicable	<b>Objective evidence observed:</b> Not applicable

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

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

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### Additional Elements

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- Per document review, facility management representation and employee interview, all employees in the facility were Chinese, there were 3 local employees and 34 were migrant employees from Guangxi, Shanxi, Hubei, Jiangxi, Hunan and Henan provinces. All employees had the proper legal rights to work in this region. The youngest age was 21 years old. All employees were hired by the facility directly. No agency staff or foreign employee was used by the facility.

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

Details:

- Employment contracts and hiring policy were reviewed and they contained the clause that only employees with a legal right to work will be hired by the company.
- Management interview and employee 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:

None observed

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

Not applicable

#### Recommended corrective action:

Not applicable

#### Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

### Observation:

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

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

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

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

### B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

### B4. Guidance for Observations

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

10B4.1 The facility met the requirements of local and national laws related to environmental standards.

10B4.2. The facility had valid permits for using water.

10B4.3. The facility was aware of their clients' environmental requirements and they have established a system to monitor to meet these requirements.

10B4.4. The facility established the environmental protection policy, wastewater, noise, waste gas was identified and assessed as key environmental impacts, and environmental pollution emergency plan was available for review.

10B4.5. The facility provided the environment impact assessment report and EIA approval for review.

10B4.6. The facility measured and monitored its energy usage. The facility monitors electricity weekly. Water usage, water waste and all other waste are monitored quarterly and a matrix report is kept on file.

10B4.7. The facility conducted the training for all employees on the avoidance of environmental impact. The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents.

10B4.8. The facility had available for review any environmental certifications or any environmental management systems documentation

10B4.9. Ms. Tan Jianfei / Admin. Supervisor was appointed responsible for environmental issues.

10B4.10. The facility has completed the appropriate section of the SAQ.

10B.4.11. The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Details:

- The environmental policy
- Training records on environmental protection
- Environmental impact assessment report and environmental impact assessment approval.
- Energy bills
- Water bill
- Facility tour
- Management interview and employee interviews

Any other comments:

Nil

**Non-compliance:**

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

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

☐ NC against Local Law

None observed

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

Not applicable

**Recommended corrective action:**

Not applicable

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Not applicable

**Observation:**

<b>Description of observation:</b> None observed <b>Local law or ETI/Additional Elements requirement:</b> None applicable <b>Comments:</b> None applicable	<b>Objective evidence observed:</b> None applicable
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Good examples observed:	
Description of Good Example (GE): None observed	<b>Objective Evidence Observed:</b> None applicable

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Ms. Tan Jianfei / Admin. Supervisor
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Facility had conducted the environmental risk assessment annually, and relevant record was provided for review.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Facility did not obtain any certification.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, it was posted on the publishing board.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The policy had addressed the key impacts from their operations and their commitment to improvement.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Not applicable
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility provided the environmental impact assessment report, environmental protection acceptance checks report for completed construction project and testing report for pollutants for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Facility had documented the hazardous chemicals used in manufacturing process.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility had system to manage client's and legislation requirements.

K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The audited facility has set the targets.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The facility had provided records of waste recycling for review.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Relevant policy and data were provided for review.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A N1: Please give details: No Sub-Contracting agencies or business partners operating on the facility's premises.	
<b>Usage/Discharge analysis</b>		
Criteria	Previous year: Please state period: __ From January 2021 to December 2021_____	Current Year: Please state period: __ From January 2022 to March 2022_____
Electricity Usage: Kw/hrs	12,260 Kw/hrs	1,800 Kw/hrs
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0 Kw/hrs	0 Kw/hrs
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> <li>Local Water authority</li> </ul>	<ul style="list-style-type: none"> <li>Local Water authority</li> </ul>
Water Volume Used: (m³)	358 (m³)	68 (m³)
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> <li>municipal drainage pipeline</li> </ul>	<ul style="list-style-type: none"> <li>municipal drainage pipeline</li> </ul>
Water Volume Discharged: (m³)	The facility did not provide the information.	The facility did not provide the information.

Water Volume Recycled: (m³)	The facility did not provide the information.	The facility did not provide the information.
Total waste Produced (please state units)	220 tons	35 tons
Total hazardous waste Produced: (please state units)	15 ton	1.5 tons
Waste to Recycling: (please state units)	0 ton	0 ton
Waste to Landfill: (please state units)	0 ton	0 ton
Waste to other: (please give details and state units)	None	None
Total Product Produced (please state units)	600,000 pcs	150,000 pcs

### 10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

#### 10C. Compliance Requirements

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

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

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

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

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

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

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

#### 10C. Guidance for Observations

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

The company manager was the designated person responsible for implementing standards concerning Business Ethics.

The company established a business ethics policy which was communicated to employees through posters and training.

The site had received and read the Business Ethics policy of the auditor/audit company.

There was an internal grievance process, which was an anonymous email address.

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

Details:

- Bribery
- Corruption

- Training records

Any other comments:

Nil

#### Non-compliance:

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

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

None observed

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

Not applicable

##### Recommended corrective action:

Not applicable

##### Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

#### Observation

##### Description of observation:

None observed

##### Local law or ETI/Additional elements requirement:

Not applicable

##### Comments:

Not applicable

##### Objective evidence observed:

Not applicable

#### Good examples observed:

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

None observed

##### Objective Evidence Observed:

Not applicable

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy  <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: Business ethics was included into factory regulations and supplier assessment, which was communicated and applied internally and externally.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details: Training records were maintained and provided for review.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details: This requirement was implemented in internal annual assessment.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please give details: This was included in third parties management activities.</p>

Other findings

Other Findings Outside the Scope of the Code
None observed


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

## Photo Form







### A: Best Practice Photos:

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






### B. Non-Compliance Photos:

	None observed	None observed
No safety label for chemical (NC photo 1)	N/A	N/A

### C. General site photos:

		
Facility name	Fence gate	Production building
		

Molding 1	Molding 2	Trimming and packing
		
Mixing	Color paste warehouse	Warehouse
		
Evacuation passage	Exit sign and emergency light	Evacuation direction sign
		
Evacuation map	Fire extinguishers, fire alarm and fire hydrant	Emergency staircase
		
PPE Sign	Occupational hazard notice	Employee with PPE

		
First aid kit	Eye washing facility	MSDS posted
		
Assembly point	Electricity box	Suggestion box
		
Toilet	Attendance recorder	Drinkable water
	None observed	None observed
Posted ETI Base code	N/A	N/A



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:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5Iw_3d_3d)**

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

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