



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 417213655	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 417362378
Business name (Company name):	QINGDAO E-SONG APPAREL & ACCESSORIES CO., LTD		
Site name:	Yi'nan Tianhe Clothing Co., Ltd 沂南县天和制衣有限公司		
Site address: <i>(Please include full address)</i>	Actual address: No.3 Building, Tiny Industrial Park, Sheng Liangzhuang Village, Jiehu Street, Yi'nan county, Linyi City, Shandong Province 山东省临沂市沂南县界湖街道圣良庄村小微创业园3#楼 Business License address: The same as above. 营业执照地址: 与上述地址一致	Country:	China
Site contact and job title:	Mr. Zhuang Liwu/General Manager		
Site phone:	+86-13854988907	Site e-mail:	yinantianhezhiyi@163.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:	23-24/11/2021		

Audit Company Name & Logo: SGS-CSTC Standards Technical Services Co., Ltd. 	Report Owner (payer): QINGDAO E-SONG APPAREL & ACCESSORIES CO., LTD
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>

Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)
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If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

The factory rented the 1st and 2nd floor of No.3 Building, Tiny Industrial Park, Sheng Liangzhuang Village, Jiehu Street, Yi'nan county, Linyi City, Shandong Province. The 3rd floor was rented by Yi'nan County Xin Jintai Shoes Factory. Both of the two factories have independent business licenses. Through onsite tour and worker interview, no mixed use of worker was found. Therefore, the current audit did not cover the 3rd floor.

工厂租赁了山东省临沂市沂南县界湖街道圣良庄村小微创业园 3#楼的 1 楼和 2 楼，3 楼租赁给了沂南县新金泰鞋厂。两家工厂均有独立营业执照。通过现场走访以及员工访谈，未发现员工混用的情况。因此本次审核不包含 3 楼区域。

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

Lead auditor: Jenny Liu	APSCA number: RA21703452
Lead auditor APSCA status: RA	
Team auditor: NA	APSCA number: NA
Interviewers: Jenny Liu	APSCA number: RA21703452

Report writer: Jenny Liu

Report reviewer: Amber Gong

Date of declaration: November 24, 2021

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	NIL
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NIL
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NIL
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NIL
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	NC: 1. None of the sewing machines or the knot tying machine were installed with finger guards. In addition, one tapping machine was not installed with the needle guard. 2. The factory had no Fire Safety Certificate /Building Fire Safety Register Certificate 3. The factory had no Building Structure Safety Certificates or the registration records OB: NIL GE: NIL
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NIL
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC:

									1. The factory didn't provide 5 kinds of social insurance to all the employees. OB: NIL GE: NIL
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Employees' monthly overtime hours exceeded 36 hours required by law. OB: NIL GE: NIL
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NIL
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NIL
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NIL
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NIL
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NIL
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	Not applicable
10B4	<u>Environment 4-Pillar</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC: 1. The factory moved to the current site in December 2020, and it did not make environmental impact registration for the new site due to the system errors of the official registration website.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	NIL
General observations and summary of the site:									

- The site was established on March 27, 2009 and moved to the current site in December 2020. The products manufactured at this site were woven garments.
- Overall responsibility for meeting the standards was taken by the General Manager, Mr. Zhuang Liwu.
- There was a total of 87 permanent workers on site (including 2 management staffs).
The youngest worker on site was 18 years old and joined the factory on October 8, 2021.
- There was no union at this factory.
- Worker representatives were present during the audit; 4 worker representatives were available in the factory.
- There was evidence of both male and female in management and among supervisor. The distribution was Male 50%, Female 50%.
- Based on workers' interview and management interview, no obvious peak season in the factory.
- 10 workers were selected for interview including 2 male and 8 female workers, they were interviewed as 1 group of 4 workers and the balance of 6 workers were interviewed individually.
- All workers said they were satisfied with their employment at the factory.
- They also said they were able to make suggestions to their supervisors and team leaders.
- 10 records to show wages were taken for 12 months from the period October 2020 to September 2021. 10 records to show working hours were taken from October 1, 2020 to November 24, 2021.
- Legal minimum wage was paid to all workers – legal minimum wage was RMB1550 per month (RMB 8.9 per hour) since June 1, 2018 and RMB 1700 (RMB 9.8 per hour) from October 1, 2021.
- Normal working hours are one shift for the office and production workers were: 07:30-11:30, 12:30-16:30; Saturday was voluntary overtime working hours.
- Correct OT rate was paid to workers. Workers were paid 150% of base wages for overtime in working days, 200% of base wages for overtime in weekend days and 300% of base wages for overtime in statutory holidays.
- Overtime hours in sample was
 - 0–44 hours/month in September 2021 (Current month)
 - 0–54 hours/month in August 2021 (Random month)
 - 0–55 hours/month in December 2020 (Random month)

**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:	QINGDAO E-SONG APPAREL & ACCESSORIES CO., LTD																
B: Site name:	Yi'nan Tianhe Clothing Co., Ltd 沂南县天和制衣有限公司																
C: GPS location: (If available)	GPS Address: No.3 Building, Tiny Industrial Park, Sheng Liangzhuang Village, Jiehu Street, Yi'nan county, Linyi City, Shandong Province 山东省临沂市沂南县界湖街道圣良庄村小微创业园 3#楼	Latitude: 35°30'47''N Longitude: 118°26'11''E															
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License number: 91371321687218048H Valid from March 27, 2009 to long term																
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Woven Garments																
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<table border="1"> <thead> <tr> <th>Production Building no 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Work floor and office rooms</td> <td>Established of 2020</td> </tr> <tr> <td>Floor 2</td> <td>Finished goods warehouse</td> <td>Established of 2020</td> </tr> <tr> <td>Floor 3</td> <td>Work floor of Yi'nan County Xin Jintai Shoes Factory</td> <td>Established of 2020</td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes</td> <td>Shared with Yi'nan County Xin Jintai Shoes Factory</td> </tr> </tbody> </table> <p>Yi'nan Tianhe Clothing Co., Ltd was found on March 27, 2009 and moved to the current site in December 2020. The factory rented the 1st and 2nd floor of No.3 Building, Tiny Industrial Park, Sheng Liangzhuang Village, Jiehu Street, Yi'nan county, Linyi City, Shandong Province. The 3rd floor was rented by Yi'nan County Xin Jintai Shoes Factory. Both of the two factories have independent business licenses. Through onsite tour and worker</p>		Production Building no 1	Description	Remark, if any	Floor 1	Work floor and office rooms	Established of 2020	Floor 2	Finished goods warehouse	Established of 2020	Floor 3	Work floor of Yi'nan County Xin Jintai Shoes Factory	Established of 2020	Is this a shared building?	Yes	Shared with Yi'nan County Xin Jintai Shoes Factory
Production Building no 1	Description	Remark, if any															
Floor 1	Work floor and office rooms	Established of 2020															
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Is this a shared building?	Yes	Shared with Yi'nan County Xin Jintai Shoes Factory															

	<p>interview, no mixed use of worker was found. Therefore, the current audit did not cover the 3rd floor. The factory's total used area was about 3,600 square meters. The 1st floor was office rooms, cutting, sewing, ironing, inspection, packing and fabric warehouse. The 2nd floor was finished goods warehouse. A total of 87 permanent employees (including 2 management staffs) were on site during the audit time. The factory was engaged in woven garments.</p> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: No crack was observed.</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: The factory did not provide the Building Structure Safety Certificates/Records for all the buildings.</p>
<p>G: Site function:</p>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
<p>H: Month(s) of peak season: (if applicable)</p>	<p>No obvious peak season in the factory</p>
<p>I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p>	<p>Products: Woven garments Raw materials-Cutting-Sewing- Ironing-Inspection & packaging- Finished goods. One production line: 80 Sewing machines, 2 cutting machines and 4 ironing machines.</p>
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
<p>K: Is there any night production work at the site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation The factory did not provide dormitory to workers.</p>
<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 The factory did not provide dormitory to workers.</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 NA. The factory did not provide dormitory to workers.</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 12:50 Day 1 Time out: 17:00	Day 2 Time in: 8:30 Day 2 Time out: 16:30	Day 3 Time in: NA Day 3 Time out: NA
B: Number of auditor days used:	1.5 MD (One auditor x 1.5 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Zhuang Liwu/General Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	NA		
J: Previous audit type:	NA		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	7	0	0	0	0	0	0	7
Worker numbers – female	78	0	0	2	0	0	0	80
Total	85	0	0	2	0	0	0	87
Number of Workers interviewed – male	2	0	0	0	0	0	0	2
Number of Workers interviewed – female	8	0	0	0	0	0	0	8
Total – interviewed sample size	10	0	0	0	0	0	0	10



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> Chinese </u></p> <p>B2: Nationality 2: <u> </u></p> <p>B3: Nationality 3: <u> </u></p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>NA</p> <p>If no, please describe how this may vary during peak periods: NA. No obvious peak season at the factory.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u> 100% </u></p> <p>C1: approx % total workforce: Nationality 2 <u> </u></p> <p>C2: approx % total workforce: Nationality 3 <u> </u></p>	
D: Worker remuneration (management information)	<p>D: <u> </u>% workers on piece rate</p> <p>D1: <u> 100 </u>% hourly paid workers</p> <p>D2: <u> </u>% salaried workers</p> <p>Payment cycle:</p> <p>D3: <u> </u>% daily paid</p> <p>D4: <u> </u>% weekly paid</p> <p>D5: <u> 100 </u>% monthly paid</p> <p>D6: <u> </u>% other</p> <p>D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4 workers in 1 group, in total 4 workers.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 1 D2: Female: 5
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"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	All workers interviewed had a positive attitude to management and site, there was no complaint.
G: In general, what was the attitude of the workers towards their workplace?	Most workers said that they were satisfied with working environment.
H: What was the most common worker complaint?	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
I: What did the workers like the most about working at this site?	Workers expressed that they wanted to earn more money by overtime working, and it was voluntary.
J: Any additional comment(s) regarding interviews:	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
K: Attitude of workers to hours worked:	All workers interviewed had a positive attitude to management and site, there was no complaint.
L. Is there any worker survey information available?	

Yes

No

L1: If yes, please give details:

M: Attitude of workers:

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

10 workers were selected for interview including 2 male and 8 female workers, they were interviewed as 1 group of 4 workers and the balance of 6 workers were interviewed individually. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory.

They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns.

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

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

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

O: Attitude of managers:

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

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

The managers were open with the auditor on the high level of hours worked.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
2. Mr. Zhuang Liwu/General Manager was a designated person responsible for implementing standards concerning Human rights.
3. The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

1. Management interview
2. Workers' interview
3. Social responsibility policy and procedure files

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory established the policy which stated that expresses commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Zhuang Liwu Job title: General Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: There was suggestion box for workers to report any concerns and these were investigated and treated in confidence.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: All employees' information and personnel files were kept locked away in the office and only viewed by HR manager and her team</p>

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

Good examples observed:

Description of Good Example (GE): Nil	Objective Evidence Observed: Nil
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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: _0.2_ %	A2: This year _0.2_ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: _0.1_ %	C2: This year _0.1_ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Factory kept and provided the accidents records for review. No accident happened in the last 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months _0_ % workers	I2: 12 months _0_ % workers

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

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

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

Current systems:

1. Based on talking with factory management, they were familiar with local laws and ETI Base Codes.
2. Based on documents review, the factory had conducted the internal audit on social accountability.
3. Mr. Zhuang Liwu/General Manager was appointed to be responsible for compliance with the local laws and Codes. Social accountability policy and procedure.
4. The factory communicated ETI Code to their suppliers.
5. There was no ISO 9001 certificate at the site.

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

Details:

1. Social responsibility policy and procedure.
2. Management system.
3. Workers' interview and management 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Auditor checked this through internet and the factory had been fined of RMB 20,000 on July 22, 2021 due to improper installation of the production equipment. The factory had made complete correction and showed the auditor the evidence onsite.
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<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies existed for some of these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics).</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Policies were communicated to workers via annual training. Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory trained the managers and workers annually.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The training records were provided for reviewing.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: There was no ISO 9001 etc... certificates.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Mr. Zhuang Liwu/General Manager</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Zhuang Liwu/General Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: A displayed policy on the confidentiality of an individual's personal information.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Noticed that all workers' files were locked and only accessed by authorised personnel.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	K1: Please give details: The factory conducted annual internal audit 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 process to address issues found when conducting risk assessments.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had established the policy/code which required labour standards of its own suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory provided business license to prove the land using is legal, and no relevant negative information based on interview and web search.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory has systems 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The factory made a written policy and procedures specific to land rights.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: Not applicable
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R1: Please give details: Not applicable
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: There was no evidence of illegal appropriation of land for facility building or expansion of footprint.

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

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

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had a policy which prohibits forced labour and employees could be freely resignation after communication with management in advance 30 days notification.
2. There was an application procedure which stated that workers present their ID's for proof of age but only copies should be kept in the personnel files and the original given back to the workers.
3. The terms and conditions of employment in the handbook state that the workers were free to leave the workplace outside of their working hours.
4. The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
5. No forced, bonded or involuntary prison labour was identified during the audit.

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

Details:

1. Personnel files
2. Resignation records
3. Factory rules
4. Employee handbook
5. Management and workers' interview

Any other comments:

Nil

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

C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: Workers could freely to terminate their employment without any restrictions.
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: NA
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: Based on workers' interview, workers could leave free when end of the workday.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: No forced/ trafficked / bonded labour was identified in supply chain.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process.

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

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: Nil

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

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

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ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There was no union at the site, 4 worker representatives were selected.
- 2. The workers could rise their opinion through worker representatives, suggestion box or communicate with their supervisor directly.
- 3. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.

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

Details:

- 1. Interview with workers
- 2. Interview with managers
- 3. Interview with worker representative
- 4. Social responsibility policy
- 5. Meeting records

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Worker representatives and suggestion box. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The meeting room was provided for worker representatives to conduct meeting with management.	
F: Name of union and union representative, if applicable:	No union was available in the factory.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	4 worker representatives were available in the factory.	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	Li Fazhi, Liu Wenxiu, Gao Yuzhang, Song Zhaolian
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: April 12, 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	
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 meeting was conducted regularly and the latest was conducted on June 22, 2021. The topic was about introducing the obligations of the worker representatives.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

If Yes , what percentage by trade Union/worker representation	M1: __0__% workers covered by Union CBA	M2: __0__% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA	

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

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. General Health and Safety management
 - Mr. Zhuang Liwu/General Manager was appointed as Health & Safety Manager for the site.
 - Potable water was freely available in all areas.
 - Sufficient clean toilets segregated by gender were available at all times to workers.
 - Ventilation, temperature and lighting were adequate for the production processes.
- 2. Fire Safety
 - There were at least 2 exits from each work area and these were clearly marked.
 - Fire-fighting equipment were adequate at most areas and checks were up-to-date.
 - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
 - Based on management interview fire drills were organised at least twice a year and records were well kept.
- 3. Electrical safety
 - All electrical equipment was maintained in good condition.
 - There was 1 competent electrician and his training certificate was available for review.
- 4. Medical services
 - There were adequate first aid kits in workshops and they were well stocked.
 - There was 1 first aider available in the factory.
- 5. Chemicals
 - No chemical used in the factory.

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

Details:

- 1. Health and safety policy
- 2. Health and safety committee minutes
- 3. Training records and certificates
- 4. Fire drill records
- 5. Trained first aider register

- 6. Accident records
- 7. Interviews with H&S manager
- 8. Interviews with workers and H&S committee members
- 9. Onsite observation

Any other comments:
Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had established the Health and Safety policy and communicated to workers through trainings and worker handbook.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The policy was written in worker handbook.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory did not provide the building structure safety certificates for all the buildings.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: NA. There is no H&S risk for visitors in the factory.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local requirement. There were first aid kits available in all the workshops.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There was 1 trained first aiders in the factory.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory did not provide transportation to workers.</p>

H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: NA. The factory did not provide dormitory to workers.
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 factory conducted H&S risk assessment.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J1: Please give details: The factory did not make the environmental registration.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Based on documents review, it was acceptable.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None of the sewing machines or the knot tying machine were installed with finger guards. In addition, one tapping machine was not installed with the needle guard.</p> <p>Local law and/or ETI requirement General Rules of Design on Health and Safety of Production Facility (GB 5083-1999) 6.1 Movable parts 6.1.1 Movable parts accessible to personnel shall be closed or isolated as far as possible. 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation. 6.1.3 Reliable limit device shall be provided for production equipment or parts that may exceed the limit position during operation. 6.1.4 If the kinetic energy or potential energy of the movable parts (including their loads) may cause danger, it must be equipped with speed limit, anti-falling or anti-reversing devices 6.1.5 Design of safeguard shall fulfill following requirements: -Disable the operator to access moving parts of running machine. The protection distance should be in accordance with the requirements of GB12265; -Under the emergency as operator is close to moving parts and may have danger, the device shall not be able to start, or should automatically stop or brake. -Avoid the danger caused by accessing the gap between safeguard and moving parts. -Safeguard shall be easy to adjust, inspect and maintain, and shall not become the source of danger. -Safeguard shall comply with the reliability criteria requirements of product standard.</p>	<p>Objective evidence observed:</p> <p>1. Onsite tour and refer to NC Photo No. 1, 2, 3</p>

6.1.6 Base on the horizontal surface of operator's workplace, all the followings with height less than two meters must be installed with safeguard: exposed dangerous parts and position of transmission belt, axle, transmission chain, coupling, pulley, gear, flywheel, sprocket wheel, electric saw.
ETI Base Code 3.1

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

Recommended corrective action:

Factory should install all sewing machines and knot tying machines with finger guards and install eye guard for all tapping machines.

2. Description of non-compliance:

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

No Fire Safety Certificate /Building Fire Safety Register Certificate:
The factory rented the 1st and 2nd floor of No. 3 building in the Tiny Industrial Park, which were built in 2020. The factory site was installed with sufficient firefighting equipment such as fire alarm, smoke detector, and the Automatic fire extinguishing system, etc. However, since the whole project of the tiny industrial park was not finished completely, the Fire Safety Certificate /Building Fire Safety Register Certificate for all buildings in the park were not obtained yet.

Local law and/or ETI requirement:

Fire Prevention Law of the People's Republic of China (2019 Amendment), Article 11 For a special construction project as specified by the housing and urban-rural development authority under the State Council, the construction employer shall submit fire protection design documents to the housing and urban-rural development authority for review, and the housing and urban-rural development authority shall be responsible for review results according to the law.

For a construction project other than one specified in the preceding paragraph, the construction employer shall provide fire protection design drawings and technical information as needed for construction when applying for a construction license or approval of the construction commencement report.

Article 13 Where the housing and urban-rural development authority under the State Council requires that an application for fire protection final inspection of an as-built construction project should be filed, a construction employer shall file such an application with the housing and urban-rural development authority.

For a construction project other than one specified in the preceding paragraph, the construction employer shall report for recordation to the housing and urban-rural development authority after final inspection, and the housing and urban-rural development authority shall conduct random inspection.

Where a construction project that is subject to fire protection final inspection according to the law fails or is nonconforming as established by the fire protection final inspection, it shall be prohibited from being put into use; and

2. Document review and management interview

<p>any other construction project that is nonconforming as established by random inspection conducted under the law shall cease to be used.</p> <p>ETI Base Code 3.1: A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: Factory should provide the Fire Safety Certificate /Building Fire Safety Register Certificate for all the buildings.</p> <p>3. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No Building Structure Safety Certificates or the registration records: The factory rented the 1st and 2nd floor of No. 3 building in the Tiny Industrial Park, which were built in 2020. However, since the whole project of the tiny industrial park was not finished completely, the Building Structure Safety Certificates or the registration records for all buildings in the park were not obtained yet.</p> <p>Local law and/or ETI requirement: Construction Law of the People's Republic of China (2019 Amendment), Article 61 ... A construction project may only be handed over for use upon passing the acceptance checks; no construction project shall be handed over for use without going through the acceptance checks or passing the acceptance checks.</p> <p>ETI Base Code 3.1: A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: Factory should provide the Building Structure Safety Certificates or the registration records for all the buildings.</p>	<p>3. Document review and management interview</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement:</p>	<p>Objective evidence observed: Nil</p>

Nil Recommended corrective action: Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory established policy and procedure on prohibiting child labour.
- 2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And administration staffs should interview with applicants and check ID cards to verify ages.
- 3. Based on documents review, the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour or young worker was identified in the factory. The youngest worker on site was 18 years old and joined the factory on October 8, 2021.

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

Details:

- 1. Policy on workers recruitment
- 2. Personnel files including the ID card copies of workers
- 3. Roster and labour contracts of all workers
- 4. Workers' interview and management interview

Any other comments:

Nil

A: Legal age of employment:	16
B: Age of youngest worker found:	18
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details NA. There was no worker under 18 years old.

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

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory paid the wages to workers on or before 30th of the following month by cash.
2. Legal minimum wage was paid to all workers. The legal minimum wage was RMB1550 per month (RMB 8.9 per hour) since June 1, 2018 and RMB 1700 (RMB9.8 per hour) from October 1, 2021. Based on payrolls provided the factory, all workers' living wages paid by the factory met legal minimum requirements.
3. The wage slip was provided for all workers.
4. Based on workers interview, they knew the policies on wages and benefits well and said overtime wage was paid 150%, 200% and 300% of normal wage for the overtime hours on weekdays, rest days and statutory holidays.
5. The factory provided the payroll records from October 2020 to September 2021 and attendance records from October 1, 2020 to November 24, 2021 for review during the audit time.

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

Details:

1. Attendance records
2. Workers' interview
3. Wages and benefits policy
4. Local legal minimum wage documents
5. Payroll records
6. Leave records
7. Resignation records
8. Payslips of all workers interviewed
9. Social insurance and payment receipts from the local labour department

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

The factory didn't provide 5 kinds of social insurance to all the employees. Based on documents review, workers' and management interview, the factory had 87 employees on the audit day, among which 6 workers were rehired after retirement, 0 worker joined in the factory less than one month. The factory provided 5 kinds of social insurance to 4 employees. And the factory purchased Group accident insurance to all workers. The validity was from November 19, 2021 to November 18, 2022.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (2018 Amendment)
Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:

1. Retirement;
2. Illness or injury;
3. Disability caused by work-related injury or occupational disease;
4. Unemployment; and
5. Child-bearing.

ETI Base Code5.1

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:

The factory should provide 5 kinds social insurance to all employees as per legal requirement.

Objective evidence observed:

1. Documents review, workers and management interview.

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Nil

Good Examples observed:

Description of Good Example (GE):
Nil

Objective Evidence Observed:
Nil

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: 1 hour/day, 13 hours/week, 44 hours/month in September 2021 (Current month); 1 hour/day, 13 hours/week, 54 hours/month in August 2021 (Random month); 1 hour/day, 13 hours/week, 55 hours/month in December 2020 (Random month)	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB1550 per month (RMB 8.9 per hour) since Jun. 1, 2018 and RMB 1700 (RMB9.8 per hour) from October 1, 2021.	C1: At least RMB 11 per hour since October 2020.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150% of normal wage rate for weekday overtime,	D1: Workers were paid at 150% of normal wage rate for	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime	weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime	
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Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
A1: If No , why not?	NA	
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 from September 2021 (Current) 10 samples from August 2021 (Random) 10 samples from December 2020 (Random)	
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details:
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> At least RMB 11 per hour since October 2020.
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: __100__% of workforce earning above minimum wage	
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> No such bonus scheme found in the wages.	

<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>No deduction. The personal contribution part of the social insurance was also paid by the company.</p>		
<p>I: Have these deductions been made?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. NA 2. NA Please describe: No deduction. The personal contribution part of the social insurance was also paid by the company.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Social insurance 2. Income tax Please describe: Per management and the interviewed employees, the personal contribution part of the social insurance was also paid by the company, and employees haven't reached to the tax level.</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>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)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>L1: Please give details: Based on the provided attendance records, workers' interview and production records, the records reflected all time worked.</p>		
<p>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></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>M1: Please specify amount/time: NA</p>		
<p>M2: If yes, what was the calculation method used.</p>	<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: NA
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: There was an annual review when local wage rates were examined.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All workers were paid on or before 30th of the following month.
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and workers' interview, it was confirmed that equal rates were being paid for equal work.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Through workers' interview, overtime was voluntary.
2. The factory provided the payroll records from October 2020 to September 2021 and attendance records from October 1, 2020 to November 24, 2021 for review during the audit time.
3. According to time records and workers' interview basic working hours were 8 hours per day and 40 hours per week. Normal working hours were one shift for the office and production workers were: 07:30-11:30, 12:30-16:30; Saturday was voluntary overtime working hours.

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

Details:

1. Workers' interview
2. Management interview
3. Local and national laws
4. Factory policy on working hours
5. Sample pay slips with recorded hours all workers interviewed
6. Workers' contracts
7. Production records to cross check hours

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

Employees' monthly overtime hours exceeded 36 hours required by law. Based on workers' interview and the provided attendance records from October 2020 to November 2021, 100% sampled employees' monthly OT hours were over 36 hours during this period. And the maximum monthly OT hours were 55 hours in December 2020.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (2018 Amendment), 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 laborers, 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 laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

ETI code 6.1

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

Recommended corrective action:

The factory should ensure all employees' monthly OT hours in line with legal requirement.

Objective evidence observed:

1. Documents review, workers and management interview. Refer to NC photo No. 4

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Objective evidence observed:

Nil

Nil Comments: Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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: Electronic-Finger print				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: NA			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
NA					
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: NA			

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 1 hour/day, 13 hours/week, 44hours/month in September 2021 (Current month) 1 hour/day, 13 hours/week, 54 hours/month in August 2021 (Random month) 1 hour/day, 13 hours/week, 55 hours/month in December 2020 (Random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__100__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Based on workers' interview, the overtime was voluntary.
Overtime Premiums		

<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of standard wages: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: Based on the payrolls from October 2020 to September 2021 and attendance records from October 1, 2020 to November 24, 2021, workers and management interview, 100% workers were paid for overtime wages as local law together with normal wages on a month basis.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other NA	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
	<p>NA</p>	
	<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) NA
<p>NA. The maximum weekly working hours were 53 hours.</p>		
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

to ensure that overtime is the exception rather than the rule.	
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7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. According to management interview and workers' interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement
2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
3. There was no evidence of sexual harassment.
4. The management generally knew the requirement of non-Discrimination.
5. All employees spoke highly of the factory owner.

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

Details:

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

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>50</u> % A2: Female <u>50</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: NA
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Professional Development	
A: What type of training and development are available for workers?	All workers were given H&S training and on-the-job trainings.

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

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:

Description of Good Example (GE):
Nil

Objective Evidence Observed:
Nil

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. No temporary worker, apprenticeship schemes worker was identified by the auditor.
2. No homework and apprenticeship schemes were found in this factory.
3. The factory signed labour contracts with workers when the workers were hired; all workers had received a signed labour contract.

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

Details:

1. Employment procedure and requirements
2. Workers' interview.
3. Labour contracts.
4. Personal files.

Any other comments:

Nil

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

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

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

Responsible Recruitment

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

<p>C: If yes, check all that apply:</p>	<ul style="list-style-type: none"> <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 – <p>C1: If other, please give details:</p>
<p>D: If any checked, give details:</p>	<p>NA</p>

<p>Migrant Workers:</p> <p><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></p>		
<p>A: Type of work undertaken by migrant workers:</p>	<p>There are 2 migrant workers from Hei Longjiang Province of China in the sewing section of the factory.</p>	
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used: 0</p> <p>B2: Total number of (outside of local country) recruitment agencies used: 0</p>	
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please describe finding: Based on documents review, workers and management interview, no deduction expects legal deduction.</p>	<p>C2: Observations: Based on documents review, workers and management interview, no deduction expects legal deduction.</p>

<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D1: If yes, number and example of roles:</p>
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
<p>A: Are there any fees?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>B: If yes, check all that apply:</p>	<ul style="list-style-type: none"> <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 <p>B1 – If other, please give details:</p>
<p>C: If any checked, give details:</p>	<p>NA</p>

<p>Agency Workers (if applicable)</p> <p><i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i></p>	
<p>A: Number of agencies used (average):</p>	<p>A1: Names if available: NA</p>

B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No agency workers in the audited factory.
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No agency workers in the audited factory.
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: NA. No agency workers in the audited factory.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: NA. No agency workers in the audited factory.

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Based on onsite observation and management interview, no homework was identified in the factory.
2. The factory had established social accountability manual including sub-contracting control procedure.
3. No home-working was identified in the factory.
4. No sub-contractor was used by the factory.

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

1. Site tour (Calculation on total production and estimated capacity)
2. Management interview
3. Workers' interview
4. Materials in/out records

Details:

Nil

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Nil</p> <p>Local law and/or ETI /Additional Elements requirement:</p> <p>Nil</p> <p>Recommended corrective action:</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>
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Observation:	
<p>Description of observation:</p> <p>Nil</p> <p>Local law or ETI requirement:</p> <p>Nil</p> <p>Comments:</p> <p>Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

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

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

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

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

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

ETI

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: There were worker representatives and suggestion box for reporting grievances.
B: If Yes , are workers aware of these channels and have access? Please give details.	It was confirmed through workers' interview, all workers aware of the channel.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, worker representatives
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Workers could raise grievances to worker representatives or through suggestion box.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined
<p><i>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.</i></p>
<p>Current systems:</p> <p>1. No negative evidence of mental / physical coercion was identified during the audit. 2. From workers' interview, they never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory.</p> <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <p>1. The relevant policy on prevention of harassment and abuse. 2. Internal grievance procedure documentation 3. Training records 4. Workers' interview and management interview</p> <p>Any other comments: Nil</p>

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

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

Comments: Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Based on documents review, management and workers' interview, all workers in the factory were Chinese. There were 87 permanent employees (including 2 management staffs) on site during the audit time. There are 2 migrant workers from Hei Longjiang Province of China. All employees had the proper legal rights to work in this region.
2. Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
3. No foreign worker was used by the factory.
4. The factory collected related laws on entitlement to work and immigration.

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

Details:

1. Hiring procedure
2. Personnel files and labour contracts
3. Employee handbook
4. Employees' roster
5. Workers' interview and management interview
6. Consignment agreement, business License of all company and certificates
7. The worker's payroll and attendance record of trusted company

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI /Additional Elements requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI/Additional Elements requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Based on documents review and confirmed with factory management, the factory did not make the environmental impact registration.
2. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
3. Based on workers' interview, they were trained on environmental protection.
4. The factory had procedure on environment protection and Mr. Zhuang Liwu/General Manager was appointed as response for environment performance.
5. The factory did not obtain ISO 14001 certificate.

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

Details:

1. Environmental policy and procedure
2. Environmental documents
3. Workers and management interview
4. Site tour

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

The factory moved to the current site in December 2020, and it did not make environmental impact registration for the new site due to the system errors of the official registration website.

Local law and/or ETI/Additional Elements requirement:

Law of the People's Republic of China on Environmental Impact Assessment (2018 Amendment), Article 16

The state practices classified management over the appraisals of the environmental impacts of construction projects according to the seriousness of the impacts.

The construction entities shall work out the report of environmental impacts, the report form of environmental impacts or the registration form of environmental impacts:

- (1) Where significant environmental impact might result, an environmental impact report shall be developed to comprehensively assess the environmental impact.
- (2) Where slight environmental impact might result, an environmental impact report form shall be developed to make analysis or special assessment on the environmental impact.
- (3) Where the environmental impact is very small, or no environmental impact assessment is required, the environmental impact registration form shall be filled up.

The directory for classified administration of environmental impact assessment of construction projects shall be formulated and publicized by the administrative department of ecology and environment under the State Council.

Additional Elements

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

Recommended corrective action:

Factory should make the environmental impact registration as soon as possible.

Objective evidence observed:

1. Management interview and document review

Observation:	
Description of observation: Nil Local law or ETI/Additional elements requirements: Nil Comments: Nil	Objective evidence observed: Nil

Good examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Zhuang Liwu/General Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The risk assessment on the environmental impact was conducted by this factory.
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: The factory did not obtain ISO 14001 certificate.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The factory set up environmental policy internally. It was not publicly.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory 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: Site does not have any sustainability system.
H: Have all legally required permits been shown? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: The factory did not make the environmental impact registration.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A I1: Please give details: The factory did not use any hazardous chemicals in the 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: This was included in the site's internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory set up the reduction target.

L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Factory monitored the volume of the recycled waste.
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: Measured to reduce costs
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility checked their business partners operating on the premises have appropriate permits and licences and were conducting business in line with environmental expectations of the facility.

Usage/Discharge analysis

Criteria	Previous year: Please state period: __ Jan.-Dec. 2020 __	Current Year: Please state period: _ Jan.-Nov. 2021 _
Electricity Usage: Kw/hrs	15,000 Kw/hr	13,800 Kw/hr
Renewable Energy Usage: Kw/hrs	0 Kw/hrs	0 Kw/hrs
Gas Usage: Kw/hrs	0 m ³	0 m ³
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	NA	NA
Water Sources: Please list all sources e.g. lake, river, and local water authority.	From local water supply company	From local water supply company
Water Volume Used: (m ³)	360 m ³	330 m ³
Water Discharged: Please list all receiving waters/recipients.	Wastewater was discharged to municipal network.	Wastewater was discharged to municipal network.
Water Volume Discharged: (m ³)	300 m ³	280 m ³
Water Volume Recycled: (m ³)	0 m ³	0 m ³
Total waste Produced (please state units)	18 tons	20 tons

Total hazardous waste Produced: <i>(please state units)</i>	0 ton	0 ton
Waste to Recycling: <i>(please state units)</i>	8 tons of waste packing boxes were recycled by the supplier	9 tons of waste packing boxes were recycled by the supplier
Waste to Landfill: <i>(please state units)</i>	0 ton	0 ton
Waste to other: <i>(please give details and state units)</i>	10 tons of the waste fabric and living waste were collected by the local waste recycling center.	11 tons of the waste fabric and living waste were collected by the local waste recycling center.
Total Product Produced <i>(please state units)</i>	800,000 Pieces	1,000,000 pieces

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Mr. Zhuang Liwu/General Manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
2. The company established a business ethics policy which was communicated to workers through posters and training.
3. The site had received and read the Business Ethics policy of the auditor/audit company.
4. There was an internal grievance process, which was suggestion box and/or worker representative.
5. Based on documents review and management interview, it was noted that the factory signed Business Practice with the relevant suppliers.

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

Details:

1. The company business ethics policy including Bribery and Corruption
2. Training records
3. Worker handbook
4. Worker and management interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local

NC against customer code:

Nil

Local law and/or ETI/Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Observation

Description of observation:

Nil

Local law or ETI/Additional elements requirement:

Nil

Comments:

Nil

Objective evidence observed:

Nil

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Nil

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<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: There was a written policy on the need to avoid bribes and fraudulent practices.</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: The factory provided training to relevant personnel and provided training record 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: Examined each year by Managers and adjusted if needed.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: The factory required its suppliers to conduct their own business ethics training.</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1

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

Not Applicable please x

Photo Form

NC Photos

<p>No. 1: Sewing machine missing finger guard</p>	<p>No. 2: Knot tying machine missing finger guard</p>	<p>No. 3: Tapping machine missing eye guard</p>

	<p>NIL</p>	<p>NIL</p>
<p>No. 4 Excessive monthly overtime hours</p>	<p>NIL</p>	<p>NIL</p>

OB Photo










<p>NIL</p>	<p>NIL</p>	<p>NIL</p>
<p>NIL</p>	<p>NIL</p>	<p>NIL</p>

GE Photo

<p>NIL</p>	<p>NIL</p>	<p>NIL</p>
<p>NIL</p>	<p>NIL</p>	<p>NIL</p>

General Site Tour Photo

<p>Outlook</p>	<p>Factory name</p>	<p>GPS Address</p>
<p>Sewing</p>	<p>Packing</p>	<p>Ironing</p>
<p>Inspection</p>	<p>Cutting</p>	<p>Finished goods storage area</p>

Fabric storage area	Fire extinguishers	Fire hose
		
Fire alarm	Time recording machine	First aid kit
		
Emergency exit and emergency light	Evacuation map	Evacuation routes
		
Drinking water	Suggestion Box	Automatic fire extinguishing system

		
<p>Distribution box with warning sign</p>	<p>Metal Mesh Gloves</p>	<p>3rd floor belongs to Yi'nan County Xin Jintai Shoes Factory</p>



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

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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