




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: Not available as factory is non-Sedex member	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: Not available as factory is non-Sedex member
Business name (Company name):	Guizhou Fuding Rubber Co., Ltd. 贵州富鼎橡塑胶有限公司		
Site name:	Guizhou Fuding Rubber Co., Ltd. 贵州富鼎橡塑胶有限公司		
Site address: <i>(Please include full address)</i>	Xiaoyun Industrial Park, The Miao Autonomous County, Tujia, Yinjiang, Tongren City, Guizhou Province 贵州省铜仁市印江土家族苗族自治县峨岭街道小云村	Country:	China
Site contact and job title:	Mr. Xu Gang / General Manager		
Site phone:	0856-6442338	Site e-mail:	sunny@fudingrubber.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	April 1, 2020		

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

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

Lead auditor: Mark Zhu APSCA number: RA21701075

Lead auditor APSCA status: Registered Auditor

Team auditor: Nil APSCA number: Nil

Interviewers: Mark Zhu APSCA number: RA21701075

Report writer: Mark Zhu

Report reviewer: Limely Chen

Date of declaration: April 1, 2020

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

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

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	• 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"/>	7	0	0	NC: <ul style="list-style-type: none"> Not use needle guards. Rolling door used at safety exits. No warning sign. No occupational health check. No testing of factors of occupational hazards. No construction safety document. No fire acceptance check.
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: <ul style="list-style-type: none"> Insufficient social insurance coverage.

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: • Employees worked in excess of the statutory overtime hour limits.
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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NC: • No inspection and acceptance report of completed environmental protection facilities.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• N/A
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• N/A

General observations and summary of the site:

The factory was established on March 31, 2014 and specialized in the manufacturing of mouse pad and yoga mat. It was consisted of two 4-storey production buildings. There were no canteen and dormitory provided to employees.

The audit was performed in one day by one auditor, and included interviews and records inspection of 10 workers.

Workers interviewed included both male and female. All workers were favourable towards the factory.

They enjoyed the work and stated it was a friendly environment. Also, they stated that they felt comfortable in approaching with any concerns they have.

**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:	Guizhou Fuding Rubber Co., Ltd.																			
B: Site name:	Guizhou Fuding Rubber Co., Ltd.																			
C: GPS location: (If available)	GPS Address: Xiaoyun Industrial Park, The Miao Autonomous County, Tujia, Yinjiang, Tongren City, Guizhou Province, China	Latitude: N27°58'41'' Longitude: E108°23'3''																		
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: 91520625097615510A. Valid from March 31, 2014 to March 29, 2034.																			
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Mouse pad and yoga mat																			
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Guizhou Fuding Rubber Co., Ltd. was established on March 31, 2014 and was located at Xiaoyun Industrial Park, The Miao Autonomous County, Tujia, Yinjiang, Tongren City, Guizhou Province, China. The factory occupied two 4-storey production buildings. The total construction area was about 8000 square meters. There were no canteen and dormitory provided to employees.</p> <p>A total of 69 employees were working in the factory, which included 62 workers and 7 management. All employees were recruited directly by the factory. Employees worked for 5 days a week in one shift. The normal working hour was from 7:30 to 12:00 and 13:00 to 16:30, with 1 hour for lunch break. Employees' wages were calculated on hourly rate basis and paid at the end of the following month by cash.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building 10</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Rubber refining, forming and cutting</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 4</td> <td>Warehouse</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table>		Production Building 10	Description	Remark, if any	Floor 1	Rubber refining, forming and cutting	Nil	Floor 2	Warehouse	Nil	Floor 3	Warehouse	Nil	Floor 4	Warehouse	Nil	Is this a shared building?	No	Nil
Production Building 10	Description	Remark, if any																		
Floor 1	Rubber refining, forming and cutting	Nil																		
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Floor 4	Warehouse	Nil																	
Is this a shared building?	No	Nil																	
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor																		
H: Month(s) of peak season: (if applicable)	Not obvious																		
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>Products: mouse pad and yoga mat.</p> <p>Main operations: rubber refining, forming, cutting, heat transfer printing, overlocking, inspection and packing.</p> <p>Number of production lines: 1</p> <p>Main equipment used: rubber refining machine: 6 sets; forming machine: 1 set; cutting machine: 6 sets; heat transfer printing machines: 2 sets; overlocking machine: 10 sets.</p>																		
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee																		

	<input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A. No dormitory was provided to employees.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:00 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1 auditor in 1 day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If No, why not? The factory stated that they did not know it.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A		
G: Who signed and agreed CAPR (Name and job title)	Mr. Xu Gang / 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:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There 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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	26	0	0	0	0	0	0	26
Worker numbers – female	35	0	0	1	0	0	0	36
Total	61	0	0	1	0	0	0	62
Number of Workers interviewed – male	4	0	0	0	0	0	0	4
Number of Workers interviewed – female	6	0	0	0	0	0	0	6
Total – interviewed sample size	10	0	0	0	0	0	0	10



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



Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	4 employees (1 group with 4 employees)	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 3	D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	No complaint was raised.	
I: What did the workers like the most about working at this site?	Humanized management and timely wage payment.	
J: Any additional comment(s) regarding interviews:	Nil	
K: Attitude of workers to hours worked:	Overtime working was voluntary and the overtime hours were acceptable.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:		
M: Attitude of workers: (Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk		

10 workers were selected for interview including 4 male workers and 6 female workers. They were interviewed as 1 group with 4 workers and 6 workers were interviewed individually.

The workers were assured of confidentiality and spoke freely of their views concerning the factory. All workers said they were satisfied with their employment at the factory. They were able to make suggestions to their supervisors or worker representatives by writing letters to suggestion box. They felt able to complain to their supervisors or worker representatives directly but also felt free to give their general concerns.

All workers said they were satisfied with working conditions and current wages. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They said they could obtain the job based on their working experience and abilities. The female workers or male workers' wages were calculated at the same rate if they engaged in same work.

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

Interviewed with the worker representative, she said factory managements were very care about workers and paid more attention to deal with workers' suggestion or complaint. They are very friendly to workers. And she could give suggestions on all parts of the site's practices, so she was satisfied with working condition in the factory.

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. They had implemented a Health & Safety committee to take care of health and safety concerns.

The factory agreed that the auditor access to all facilities, all requested documents and records were provided in a timely manner.

The factory agreed that the auditor took photos and copy relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The policy and written procedures for human rights were set up in the factory. It was communicated to their suppliers and their owned partners.
2. The relevant framework and commitment were made by Mr. Xu Gang / General Manager so as to compliance with the code.
3. The human rights issues record was shown that the policy has been communicated to the workers and suppliers.
4. The factory provided a grievance system. It had a transparent and well-communicated system in place to enable the workers and suppliers to report to the company on human rights issues without fear of reprisals towards the reporters.

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

Details:

1. Employee handbook
2. Social compliance guidebook
3. Training records
4. Management and worker interview

Any other comments:

Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: There was a focus on labour right and also aimed to address the responsibility of businesses to understand their broader human rights impacts including the need to recognise community human rights impact.(e.g. in the form of grievance mechanisms and Freedom of Association.)
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Xu Jingrong Job title: Admin Supervisor
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory had a confidential suggestion box system available for employees.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: All employees' information and personnel files were kept in the human resources office and only viewed by the HR department.

Findings		
Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/> Description of observation: None observed		Objective evidence observed: Not applicable

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

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: __7__ %	A2: This year __1__ %
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]	1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __0__ %	C2: This year __0__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: No injury was occurred in the factory.	
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

0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established social responsibility system and policy in the factory.
2. Ms. Xu Jingrong / Admin Supervisor was appointed to responsible for compliance with ETI Base Code.
3. The factory conducted regularly trainings about social policies equivalent to ETI Code for the employees.
4. The factory conducted internal social responsibility audit and management interview for their social responsibility system and external social compliance audit for its suppliers.
5. There was no system certification in factory, such as ISO 9001, ISO 14001, etc.

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

Details:

1. The written policies and procedures on social responsibility system
2. Client's code of conduct in factory
3. Social responsibility audit reports
4. Training records
5. Management and workers 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?

☐ Yes

☒ No

A1: Please give details: No such fines or prosecutions was identified.

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

☒ Yes

☐ No

	B1: Please give details: The factory established the procedures to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Interviewees stated there were no forced labour, child labour, discrimination, harassment & abuse found in factory. No negative evidence was observed according to document review.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Managers and workers received the training regularly.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Per document review, relevant training records were provided and confirmed by worker during interview.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The factory did not obtain internationally recognised system certifications.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Ms. Li Jianping / HR Staff was responsible for Human Resources department.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Xu Jingrong / Admin Supervisor was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The policy was established in employee manual.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' information were kept in the personnel files.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessments were conducted 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: After risk assessment, a senior management meeting will be held and discussed how to correct and avoid these issues happened again.
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 sent a copy of the ETI code and any relevant customer codes to 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: All required land rights licenses and permissions were provided for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: It was performed by factory's legal staff to accepted procedures for due diligence.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Remark: The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: This was conducted by the local governmental authority and the owner purchased the lease according to legal channels, overseen by company legal advisors.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: This area where the factory located was assigned as industry usage by governmental department.
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: All the areas of factory were legal according to the interview and document review.
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Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None observed	<input type="checkbox"/> NC against Local Law Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established a policy on prohibits forced labour.
2. The recruitment procedure states that workers must present their ID card to proof their ages when recruiting, but only copies must be kept in the personnel files and the original will be given back to the workers.
3. The employee handbook states that workers could leave the factory within 3 days in probation period and 1 month after they raised their resign letter to supervisor if they were regular employee as local law's requirement.
4. The terms and conditions of employment in the handbook state that workers are free to leave the workplace outside of their working hours.

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

Details:

1. Factory rules
2. Employee handbook
3. Personnel files
4. Resignation records
5. Labour contracts
6. Management and worker interview

Any other comments:

Nil

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

B1: If yes, please give details and category of worker affected:

C: Is there any evidence of retention of wages /deposits

☐ Yes

☒ 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: Terminate employees could leave the factory freely and not be restricted.
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: Not applicable in this factory.
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: Employees could leave the factory at the end of the work day freely and not be restricted.
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: Factory forbade its supply chain involving in any activity of forced / trafficked / bonded labour.
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: Factory would terminate corporation with its supply chain if any forced / trafficked / bonded labour issue noted.

Non-compliance:

Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:
None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective evidence observed:

Not applicable

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. There was no union in the factory, but a worker committee was available in the factory.
2. The committee members were elected by workers freely.
3. Workers could raise their grievances or complaint to their management or worker representatives or top management directly, also through by suggestion box.

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

Details:

1. The policy on freedom of association
2. Minutes of the worker committee meeting
3. Management and worker interview

Any other comments:

Nil

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

communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	D1: Please give details: Workers could raise their suggestion and complaint to their supervisor directly or through by 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: Meeting room was provided for committee activities.	
F: Name of union and union representative, if applicable:	N/A. There was no union in the factory.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committees	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: September 30, 2019
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: One worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Per document review and employee interview, the worker committee's last meeting was held on December 30, 2019 with the topic was to discuss the PPE issue.	
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: __N/A__% workers covered by Union CBA	M2: __N/A__% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed	Objective evidence observed: None observed

Observation:	
Description of observation: None observed	Objective evidence observed: None observed

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - Ms. Xu Jingrong / Admin Supervisor was responsible for issue of Health & Safety in the factory.
 - Minutes of meetings show that there were quarterly meetings between H&S committee and H&S manager.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Sufficient clean toilets segregated by gender were available at all times to workers.
 - Potable water was freely available in all areas.
2. Fire Safety
 - Sufficient fire equipment such as fire extinguishers and hydrants in factory and regular inspection was taken per month.
 - Evacuation plans were posted at all areas and understood by all interviewed workers.
 - Sufficient safety exits were available for all areas.
 - The factory conducted fire drills twice per year including fire fighting exercise and evacuation exercise.
3. Electrical safety
 - Electrical equipment was maintained by qualified electrician and electrical equipment were in good condition such as sockets, plugs, switches and main fuse boards.
 - One qualified electrician was available in the factory and the qualification certificate was provided for review.
4. Chemical safety
 - Chemicals were labelled properly and equipped with secondary containment.
 - MSDSs were available and there were hazard diagrams on any chemicals which needed careful handling.
 - Workers in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
5. PPE
 - Relevant PPE warning signs were posted onsite.
 - PPEs such as glove and mask etc. were provided to workers for free.
6. Medical services
 - Sufficient first aid kits were provided in all areas and they were well stocked.

- 2 qualified first aiders were available in the factory and the qualification certificates were provided for review.

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

Details:

- Health and safety policy
- Health and safety committee minutes
- Fire equipment maintenance records
- Lease contract
- First aider certificate
- Testing report of drinking water
- Certificate and testing report of special equipment
- Special equipment operator certificate
- Chemical list and MSDS for chemical
- Accident records
- Fire drill records
- H&S training records
- Management and worker interview

Any other comments:

Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Health & Safety policies and procedures were established in factory and communicated to workers regularly.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Health & Safety policies were included in employees' manual.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No structural addition was noted.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors to the site were informed on H&S and provided with personal protective equipment.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local law requirement. However, first aid kit was available in factory.
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: 2 qualified first aiders were available in factory.

G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport facility was provided for workers.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A. No dormitory was available for employees in the factory.
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: Health & Safety Risk assessments were conducted regularly with action implementation.
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 inspection and acceptance report of completed environmental protection facilities was not provided for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory met its customer requirements on environmental standards, including the use of chemicals.

Non-compliance:

1. Description of non-compliance:

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

It was noted that 8 out of 8 employees did not use the installed needle guards when they operated overlocking machine in overlocking workshop.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that employees can use protective devices on machine appropriately.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

2. Description of non-compliance:

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

It was noted that rolling doors were used at the following safety exits.

- 1) 4 out of 4 safety exits on 1st floor of the production building 10.
- 2) 2 out of 2 safety exits respectively on 2nd floor to 4th floor of the production building 10.
- 3) 2 out of 2 safety exits respectively on 1st floor to 4th floor of the production building 11.

Remark: These rolling doors were equipped with a pin to keep them in opening position. But the pins were removable devices, which could be easily taken off. Further, the factory had not taken other effective measures to ensure these rolling doors were remained open during working hours.

Local law and/or ETI requirement:

ETI requirement:

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.

Objective evidence observed:

Per facility tour and refer to NC photo No.1

Per facility tour and refer to NC photo No.2 & No.3

Local law:

In accordance with Article 6.4.11 of the Code for design of building fire protection and prevention (GB50016-2014), the evacuation door in the building shall meet the following requirements:

1. The evacuation door of the civil building and factory shall be side-hung door, and shall not be sliding door, roller shutter, overhung door or revolving door. And the evacuation door shall be opened to the evacuation direction. Except for Class A, B factory building, there is no restriction on the opening direction of the door if there are no more than 60 persons in the room and the average evacuation capacity of each door is no more than 30 persons.
2. The evacuation door of storage shall be side-hung door to the evacuation direction. Sliding door or roller shutter may be used at the outside surface of the wall on the first floor. Sliding door or roller shutter shall not be used in Class A, B storage.
3. For the evacuation door opened to the evacuation stairs or staircase, the evacuation width of the stair platform shall not be reduced when the evacuation door open.
4. The evacuation door that needs to be controlled for people going in and out at will in densely populated place or the outdoor of the residential building controlled by electric devices shall be opened easily from the inside without using any tools such as key etc. in case of fire. Signs and operation explanation shall be labeled at the well-marked place.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that doors used at exits for evacuation purpose in the factory open in the direction of evacuation.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

3. Description of non-compliance:

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

It was noted that 2 out of 15 electric switch boxes randomly selected in the factory were not marked with warning sign.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.

6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable

Per facility tour and refer to NC photo No.4

material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the factory are marked to avoid electric shock.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

4. Description of non-compliance:

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

It was noted that the factory did not provide regular occupational health checks to employees who were in contact with hazardous materials in rubber refining and forming workshops.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.

The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts.

The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.

Recommended corrective action:

Per document review and management interview

It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all employees handling hazardous materials.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

5. Description of non-compliance:

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

It was noted that the factory did not conduct testing of factors of occupational hazards in workshops where might cause occupational diseases to employee, such as rubber refining and forming workshops.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 20 of Provisions on the Supervision and Administration of Occupational Health at Work Sites, an employer unit with occupational hazards shall entrust an occupational health technical service institution with the corresponding qualification to conduct testing of factors of occupational hazards at least once each year.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure to entrust an occupational health technical service institution with the corresponding qualification to conduct testing of factors of occupational hazards at least once a year.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

6. Description of non-compliance:

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

It was noted that the factory could not provide the construction safety document (e.g. report or registration files of inspection for completed building construction projects) for two 4-storey production buildings. As per stated by factory management, these two production buildings were completed in 2013.

Local law and/or ETI requirement:

ETI requirement:

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

Per document review and management interview

Per document review and management interview

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.

Local law:

In accordance with Article 61 of Construction Law of the People's Republic of China, construction projects having been completed and accepted through examination shall meet the stipulated quality standards on construction projects, have complete technical and economic data of projects and warranties issued by builders, and satisfy other requirements set out by the state for the completion of construction projects.

Only after a completed construction project is proved to meet the standards through examination can it be delivered for use. Construction projects having not been examined and accepted or having failed in examination shall not be delivered for use.

In accordance with Article 49 of Regulation on the Quality Management of Construction Projects, the project owner shall, within 15 days from the day when the construction project passes the completion-based check, submit the completion-based check report, the approval or licensed use documents issued by the departments of planning, public security and fire prevention, environmental protection, etc. to the construction administrative department or other pertinent departments for archival purposes.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that construction safety documents (e.g. report or registration files of inspection for completed building construction projects) are obtained for all buildings.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

7. Description of non-compliance:

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

It was noted that the factory could not provide the fire acceptance check for two 4-storey production buildings. The total construction area of these two production buildings was around 4000 square meters respectively.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 13 of the Construction Project Fire Safety Supervision and Management Regulation, for the following densely-populated places, the construction units shall apply approval for fire safety design from the public security fire control institution and at the completion of the construction project, apply fire control acceptance check from the public

Per document review and management interview

security fire control institution: (4) production and process workshop of labor intensive factories with a total construction area of more than 2500 square meters and (5) employee dormitories with a total construction area of more than 1000 square meters of labor intensive factories.

In accordance with Article 24 of the Construction Project Fire Safety Supervision and Management Regulation (Extract), for the other construction works and construction units not including in Article 13 and 14 shall enter the fire design and inspection in the records within 7 day after the construction was approved to build, or inspection for completed building construction projects. The record shall be put onto website of province fire control bureau, or to the site of local fire control bureau.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that the fire control acceptance check or fire design & inspection filing for factory buildings is performed.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective evidence observed:

Not applicable

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their ID copies were kept in their personnel file. And the policy stated that the factory never employ and use any child labour under the age of 16 years old.
2. The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, and young workers should not arrange to work at hazardous post.
3. Checks of all workers files showed that the youngest worker present was 19 years old in the factory. No child labour or young worker was identified during the audit.

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. Management and worker interview

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	19 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%

E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details
--	--

Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The auditor reviewed the payroll and attendance records of 10 samples from the most recent paid month February 2020, 10 samples from August 2019 and 10 samples from May 2019. Per payroll registers and employees & management interview, employees' wages were calculated on hourly rate basis and paid at the end of the following month by cash. All sampled workers were paid no less than RMB 2300 per month or RMB 13.22 per hour, which was higher than the local minimum wage standard of RMB 1470 per month or RMB 8.45 per hour since July 1, 2017 and RMB 1570 per month or RMB 9.02 per hour since December 1, 2019. All sampled employees were paid 150% and 200% of their normal wage for overtime working on weekdays and weekends respectively. No overtime had happened on statutory holidays during the tested period.

According to the social insurance payment receipt provided by factory management, it was noted that 25 out of 61 employees were provided with accident insurance in January 2020. In addition, the factory had provided commercial accident insurance for 36 employees, the valid date was from April 15, 2019 to April 14, 2020.

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

Details:

1. Wages and benefits policy
2. Local legal minimum wage documents
3. Payroll records from March 2019 to February 2020
4. Leave records and resignation records
5. Labour contracts of all employees (to examine agreed wage rates)
6. Payment receipts of social insurance and commercial accident insurance
7. Management and worker interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that 25 out of 61 employees were provided with accident insurance in January 2020.

Remark: The factory had provided commercial accident insurance for 36 employees, the valid date was from April 15, 2019 to April 14, 2020.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.

The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.

Recommended Corrective Action:

It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

Action by: Mr. Xu Gang / General Manager

Time scale: 120 Days

Objective evidence observed:

Per document review

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours a day and 40 hours a week	A1: 8 hours a day and 40 hours a week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day; 36 hours per month	B1: 1 hour per day; 11 hours per week; 53 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB 1470 per month or RMB 8.45 per hour since July 1, 2017 and RMB 1570 per month or RMB 9.02 per hour since December 1, 2019	C1: RMB 2300 per month or RMB 13.22 per hour	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Not less than 150% of normal wage for weekday overtime; Not less than 200% of normal wage for rest day overtime; Not less than 300% of normal wage for statutory holiday overtime.	D1: 150% of normal wage for weekday overtime; 200% of normal wage for rest day overtime; No overtime on statutory holiday.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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?	N/A

<p>B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</p>	<p>10 samples from May 2019, 10 samples from August 2019, 10 samples from February 2020.</p>		
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>C1: If Yes, please give details:</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If No, please give details:</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 2300 per month or RMB 13.22 per hour</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: ___100___% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>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> N/A</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance and individual income tax</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Social insurance 2. Individual income tax Please describe: Per document review, social insurance and individual income tax were deducted per the legal requirement.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. 2. Please describe: N/A</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: All time would be included. Such as meeting time, fire drill rehearsal time etc.</p>	
<p>M: Is there a defined living wage: <i>This is <u>not</u> normally 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: N/A</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 <p>Other – please give details: N/A</p>	
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>N1: Please give details: The factory did not have periodic review of wages but employees could dominate their wages freely.</p>	
<p>O: Are workers paid in a timely manner in line with local law?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>P1: Please give details: Per payroll records review and workers interview, same position were paid at same wage.</p>	
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other <p>Q1: If other, please explain:</p>	

6: Working Hours are not Excessive

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ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Factory adopted finger print attendance system to record workers' working time. Per factory management interview and employees' interview, there was one shift for all production employees. The normal working hour was from 7:30 to 12:00 and 13:00 to 16:30, with 1 hour for lunch break. From Monday to Friday. Overtime was voluntary. The auditor reviewed the attendance records of 10 samples from May 2019, 10 samples from August 2019, 10 samples from the most recent paid month February 2020 and 5 additional samples from current complete attendance unpaid month March 2020. It was noted that the longest consecutive working days were 6 days. The maximum overtime hour per day was 1 hour, the maximum overtime hours per month was 53 hours and the maximum total working hours per week was 51 hours.

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

Details:

1. Factory policy on working hours
2. Computerised time logging system

3. Workers contracts
4. Sample pay slips with recorded hours of all interviewed workers
5. 13 months' time records showing highest and lowest hours over all employees
6. Quality and production records to cross check working hours
7. Management and worker interview

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that 24 out of 35 sample population employees worked in excess of the statutory overtime hour limits.

A review of 35 sample population employees' time records (10 samples from May 2019, 10 samples from August 2019 and 10 samples from current paid month February 2020. Besides, 5 samples from current complete attendance unpaid month March 2020) yielded the following:

- 9 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 44 hours) in May 2019, which was not in compliance with the legal requirement;
- 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 40 to 53 hours) in August 2019, which was not in compliance with the legal requirement;
- 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 41 hours) in March 2020, which was not in compliance with the legal requirement.

Local law and/or ETI requirement:

ETI requirement:

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.

Local law:

In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

Recommended corrective action:

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

Action by: Mr. Xu Gang / General Manager

Time scale: 60 days

Objective evidence observed:

Per document review

Observation:	
Description of observation: None observed	Objective evidence observed: None observed Not applicable

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

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Describe: Finger print attendance system		
B: Is sample size same as in wages section?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If no, please give details: Additional 5 samples from current complete attendance unpaid month March 2020.		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate: <div> <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other </div> If "Other", Please define: N/A	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	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: N/A
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: N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: May 2019: 1 hour per day, 11 hours per week, 44 hours per month; August 2019: 1 hour per day, 11 hours per week, 53 hours per month; February 2020: 1 hour per day, 11 hours per week, 31 hours per month; March 2020: 1 hour per day, 11 hours per week, 41 hours per 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:	___20___%	
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: Per employee's interview, they confirmed that they could choose to overtime work or not by themselves.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 150% of normal wage for weekday overtime; 200% of normal wage for rest day overtime; No overtime on statutory holidays.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% workers in every month.
O: If the site pays less than 125% OT premium	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)	

<p>and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<div> <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A </div> <div> O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other </div> <div> N/A </div>
<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>	<div> <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) </div> <div> P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other: </div> <div> N/A </div>
<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>	<div> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <div> Q1: If yes, please give details: Workers worked overtime sometimes due to order volumes increased. </div>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<div> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div>

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 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 negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
3. The management knew the requirement of non-discrimination.

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

Details:

1. Employee handbook, the hiring and termination procedure
2. Leave application and termination records
3. Attendance and payroll records
4. Training records
5. Management and worker interview

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __43__ % A2: Female __57__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	1
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 <input type="checkbox"/> Promotion

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: Confirmed by factory rules review, management and workers interview.
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Professional Development	
A: What type of training and development are available for workers?	Professional skill training

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

Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All employees were recruited by the factory directly. No labour agency was used to hire workers. No apprenticeship schemes or home worker was identified by the auditor.
2. The factory signed labour contracts with all employees within one month when they joined the factory. Per interview with worker, all employees had one copy of contract.
3. Per interview with management and worker, no recruitment fee was paid by the workers.

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

Details:

1. The hiring and termination procedure
2. Personal files and labour contracts
3. Payroll records
4. Management and worker interview

Any other comments:

Nil

Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed	Objective evidence observed: None observed

Observation:	
Description of observation: None observed	Objective evidence observed: None observed

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

Responsible Recruitment

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

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

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	All types	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 6 workers in skilled, technical and management roles.	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: N/A
C: If any checked, give details:	N/A

Agency Workers (if applicable) (workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: N/A

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

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Factor tour showed that all production processes were present in the factory.
2. Cross check showed that no subcontractor and homeworking present in the factory.

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

Details:

1. Factory Tour
2. Materials in/out records
3. Management and worker interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

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

Summary of sub-contracting – if applicable <input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

E: How does the site ensure worker hours and pay meet local laws for homeworkers?	
F: What processes are carried out by homeworkers?	
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Per document review and management interview, it was noted all employees would freely express their opinion to the factory management. During employee interview, sampled employees stated that they were comfortable to express their viewpoints and most of their concerns were solved.
B: If Yes , are workers aware of these channels and have access? Please give details.	The factory had established an internal open channel such as suggestion box for reporting any violations of Labour standards and H&S or any other grievances.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box
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: Suggestion box was provided to workers.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination.
2. The site had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure.
3. The factory established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence happened in the past.
4. There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation
3. Training records
4. Management and worker interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

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

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

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

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All workers in the factory were Chinese. Almost all employees were came from Guizhou province. All workers had the proper legal rights to work in this region.
2. No agency staff or foreign worker were used by the factory.

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

Details:

1. Hiring procedure and employee handbook
2. Employee roster and personnel files
3. Management and worker interview

Any other comments: Nil

Non-compliance:

Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established the environment policy and procedure to ensure meeting applicable environmental laws.
2. The factory conducted environmental impact assessment and obtained approval document for the environmental impact assessment from environmental authority.
3. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
4. Workers were trained on environmental protection regularly.

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

Details:

1. Environmental management policy
2. Report form of environmental impact assessment
3. Approval document for the environmental impact assessment
4. Training records
5. Management and worker interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI/Additional Elements

☒ NC against Local Law

It was noted that factory management was unable to provide the inspection and acceptance report of completed environmental protection facilities for review.

Local law and/or ETI/Additional Elements requirement:

Additional Elements requirement:

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

Objective evidence observed:

Per document review and management interview

Local law:

In accordance with Article 17 of the Regulations on Environmental Protection Check and Acceptance for Completed Construction Project, the construction unit who requires for prepare environment impact assessment report book or form should, upon completion of a construction project, shall check and prepare the report on completion of matching construction of environmental protection facilities required for the said construction project in accordance with the standards and procedures required by the administrative department for environmental protection under the State Council.

During the inspection and acceptance process, the construction unit shall accurately examine, monitor and record the construction and adjustment status of the environmental protection facilities, and no falsification is allowed.

The construction unit shall publicize its environmental protection facilities inspection and acceptance report to the public, unless there is any situation that should be remained confidential as required by the State.

Recommended corrective action:

It is recommended that factory management adopt practices and controls to ensure that the completed environmental protection facilities are subjected to inspection and acceptance process and obtain valid acceptance approval or report.

Action by: Mr. Xu Gang / General Manager

Time scale: 30 days

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Other findings

Other Findings Outside the Scope of the Code
None observed

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

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

		
Factory gate	Factory name	Production building
		
Rubber refining workshop	Forming workshop	Cutting workshop
		
Heat transfer printing workshop	Overlocking workshop	Inspection and packing workshop



Warehouse



Evacuation plan



Emergency light and exit sign



Fire hydrant



Fire alarm



Fire extinguisher



First aid kit






Drinking water



Toilet

		
Attendance machine	Suggestion box	End

Non-compliance Photo

		
No.1: Not use needle guards	No.2: Rolling door used at safety exit	No.3: Remark: Fixing device installed on rolling door
		
No.4: No warning sign	End	



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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:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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