

Version 6.1



## 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): Nil

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

|                               |                        |
|-------------------------------|------------------------|
| Lead auditor: Matthew Huang   | APSCA number: 21703960 |
| Lead auditor APSCA status: RA |                        |
| Team auditor: N/A             | APSCA number: N/A      |
| Interviewers: Matthew Huang   | APSCA number: 21703960 |

Report writer: Matthew Huang  
 Report reviewer: Kiki Jiang

Date of declaration: May 6, 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<br><i>(please click on the issue title to go direct to the appropriate audit results by clause)</i><br><b>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</b> | Area of Non –Conformity<br><i>(Only check box when there is a non–conformity, and only in the box/es where the non–conformity can be found)</i> |                                     |                          |                          | Record the number of issues by line*: |     |    | Findings<br><i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>  |
|---|---|-------------------------------------|--------------------------|--------------------------|---------------------------------------|-----|----|--|
|   | ETI Base Code   | Local Law                           | Additional Elements      | Customer Code            | NC                                    | Obs | GE |  |
| 0A <u>Universal Rights covering UNGP</u>  |   |                                     | <input type="checkbox"/> | <input type="checkbox"/> |                                       | 0   | 0  | •<br>•   |
| 0B <u>Management systems and code implementation</u>  |   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | 0                                     | 1   | 0  | Summary of Non -Compliance finding:<br>Nil<br><br>Summary of Observation finding:<br>1. The factory did not complete the SAQ on audit day.<br><br>Summary of GE:<br>Nil                                  |
| 1. <u>Freely chosen Employment</u>  | <input type="checkbox"/>  | <input type="checkbox"/>            |                          | <input type="checkbox"/> | 0                                     | 0   | 0  | •<br>•   |
| 2 <u>Freedom of Association</u>   | <input type="checkbox"/>  | <input type="checkbox"/>            |                          | <input type="checkbox"/> | 0                                     | 0   | 0  | •<br>•   |
| 3 <u>Safety and Hygienic Conditions</u>   | <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/> |                          | <input type="checkbox"/> | 6                                     | 0   | 0  | Summary of Non -Compliance finding:<br>1. Parts of sewing machines used on site were found missing needle guards.<br>2. No qualification certificate for safety production management and responsibility |

|   |                                  |                                     |                                     |  |                          |   |   |   |  |
|---|----------------------------------|-------------------------------------|-------------------------------------|--|--------------------------|---|---|---|--|
|   |                                  |                                     |                                     |  |                          |   |   |   | <p>person.</p> <p>3. Distance between some stacks and the wall was '0' in the warehouse area.</p> <p>4. The factory did not provide regular occupational medical check to workers who were exposed to hazardous factors .</p> <p>5. The factory failed to provide the special equipment registration for the forklift.</p> <p>6. The factory failed to provide the safety inspection report for the forklift.</p> <p>Summary of Observation finding:<br/>Nil</p> <p>Summary of GE:<br/>Nil</p> |
| 4 | <u>Child Labour</u>              | <input type="checkbox"/>            | <input type="checkbox"/>            |  | <input type="checkbox"/> | 0 | 0 | 0 | <ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul>   |
| 5 | <u>Living Wages and Benefits</u> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  | <input type="checkbox"/> | 1 | 0 | 0 | <p>Summary of Non -Compliance finding:<br/>1. Social insurance not covered for all workers in the factory .</p> <p>Summary of Observation finding:<br/>Nil</p> <p>Summary of GE:<br/>Nil</p>   |
| 6 | <u>Working Hours</u>             | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  | <input type="checkbox"/> | 1 | 0 | 0 | <p>Summary of Non -Compliance finding:<br/>1. Overtime working hours exceeded 36 hours per month for 3 sample months.</p> <p>Summary of Observation finding:</p>   |

|      |  |                          |                          |                          |                          |     |     |     |                              |
|------|--|--------------------------|--------------------------|--------------------------|--------------------------|-----|-----|-----|------------------------------|
|      |  |                          |                          |                          |                          |     |     |     | Nil<br>Summary of GE:<br>Nil |
| 7    | <u>Discrimination</u>                  | <input type="checkbox"/> | <input type="checkbox"/> |                          | <input type="checkbox"/> | 0   | 0   | 0   | •<br>•                       |
| 8    | <u>Regular Employment</u>              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0   | 0   | 0   | •<br>•                       |
| 8A   | <u>Sub-Contracting and Homeworking</u> |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0   | 0   | 0   | •<br>•                       |
| 9    | <u>Harsh or Inhumane Treatment</u>     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0   | 0   | 0   | •<br>•                       |
| 10A  | <u>Entitlement to Work</u>             |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0   | 0   | 0   | •<br>•                       |
| 10B2 | <u>Environment 2 -Pillar</u>           |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0   | 0   | 0   | •<br>•                       |
| 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:

Audit progress

This Periodic A audit was conducted by Leverage Limited. One Auditor assessed/verified the facility's operations against the ETI Base Code, and local legislation basis in 1 day.

Site Summary

1. The factory was established and started production on Dec. 16, 2008 .

2. The product manufactured at this factory was Hammock ; and the main production processes included: cutting , sewing, assembly and packing .
3. The factory occupied 1 building with 7 floors for production , warehouse and office , which occupied about 1,860 square meters in total .
4. The factory had established a management system to manage the social accountability issues in the factory.
5. Overall responsibility for meeting the standards was taken by Mr. Guangmeng Chen / Vice GM .
6. There were a total of 30 employees on site, included 12 Male workers (Local: 10, Migrant: 2) and 18 Female workers (Local: 17, Migrant: 1).
7. No child labour was identified during the audit. The youngest worker in the factory was 26 years old, and who was born on Feb. 8, 1994 and entered the factory on Mar. 21, 2014 .
8. No any trade union was established in the factory.
9. The worker representative (Ms. Zhufeng Chen ) was present during the audit.
10. There was evidence of both male and female in management and among supervisor.
11. No sub-contractor was used by the factory.
12. Total 10 workers were selected for interview including 4 male and 6 female employees, they were interviewed as 1 group of 4 workers, and 6 workers were interviewed individually. All workers said they were satisfied with their employment at the factory. They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.
13. Total 10 workers' wage records from Apr. 2019 to Mar. 2020 were reviewed, and 10 workers' attendance records from Apr. 2019 to audit day were reviewed.
14. Based on provided payroll records, all workers were paid by hourly rate. The Minimum wage guarantee system was established for all workers. Workers' minimum wages were paid meet the local legal requirement. The local legal minimum wage was RMB 1,800 per month (10.35 per hour) since Dec. 1, 2017.
15. Adequate overtime wage was paid; workers were paid 150% of regular wage for weekday overtime, 200% of regular wage for weekend overtime and 300% of regular wage for statutory holiday overtime.
16. Working time for employees was arranged from 7:30 to 11:30, 13:00 to 17:00. If there was overtime, it was normally arranged from 18:00 to 20:00.
17. No forced labour was identified during the audit.
18. The factory had established procedures on environment protection , and Mr. Guangmeng Chen was appointed to responsible the compliance of environment requirement.

*\*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:  | Yueqing Hengda Artware Co., Ltd.  |  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| B: Site name:   | Yueqing Hengda Artware Co., Ltd.  |  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| C: GPS location:<br>(If available )   | GPS Address: Shuiduizhou Village, Shuangfeng County, Dajing Town, Yueqing City, Zhejiang Province   | Latitude: N 28°27'9"<br>Longitude: E 121°7'32" |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| 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: 913303826831210111<br>valid from Dec. 16, 2008 and long-term effective  |  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc   | Hammock   |  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| F: Site description:<br>(Include size, location, and age of site. Also, include structure and number of buildings)  | <p>Yueqing Hengda Artware Co., Ltd. was located at Shuiduizhou Village, Shuangfeng County, Dajing Town, Yueqing City, Zhejiang Province, China. There were 30 employees in the factory. The factory occupied 1 building with 7 floors for production and warehouse, which occupied about 1,860 square meters in total. No canteen / dormitory were available in the factory.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Building # 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Incoming warehouse, Cutting</td> <td>N/A</td> </tr> <tr> <td>Floor 2</td> <td>Final warehouse</td> <td>N/A</td> </tr> <tr> <td>Floor 3</td> <td>WIP warehouse</td> <td>N/A</td> </tr> <tr> <td>Floor 4</td> <td>Assembly, Packing</td> <td>N/A</td> </tr> <tr> <td>Floor 5</td> <td>Assembly</td> <td>N/A</td> </tr> <tr> <td>Floor 6</td> <td>Sewing</td> <td>N/A</td> </tr> <tr> <td>Floor 7</td> <td>Office</td> <td>N/A</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Occupied : 1,860 square meters</td> </tr> </tbody> </table> <p>F1: Visible structural integrity issues (large cracks) observed ?<br/> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> <p>F2: Please give details:<br/>                     The building was found in the good condition and the factory provided the acceptance inspection report for review.</p> |  | Building # 1 | Description | Remark, if any | Floor 1 | Incoming warehouse, Cutting | N/A | Floor 2 | Final warehouse | N/A | Floor 3 | WIP warehouse | N/A | Floor 4 | Assembly, Packing | N/A | Floor 5 | Assembly | N/A | Floor 6 | Sewing | N/A | Floor 7 | Office | N/A | Is this a shared building? | No | Occupied : 1,860 square meters |
| Building # 1  | Description   | Remark, if any                                 |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 1   | Incoming warehouse, Cutting   | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 2   | Final warehouse   | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 3   | WIP warehouse   | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 4   | Assembly, Packing   | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 5   | Assembly  | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 6   | Sewing  | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Floor 7   | Office  | N/A  |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |
| Is this a shared building?  | No  | Occupied : 1,860 square meters                 |              |             |                |         |                             |     |         |                 |     |         |               |     |         |                   |     |         |          |     |         |        |     |         |        |     |                            |    |                                |

|   |  |
|---|--|
|   | <p>F3: Does the site have a structural engineer evaluation ?<br/> <input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>           F4: Please give details:<br/>           The factory provided the acceptance inspection report and fire safety inspection report for review.</p>  |
| <p>G: Site function:</p>  | <p><input type="checkbox"/> Agent<br/> <input checked="" type="checkbox"/> Factory Processing/Manufacturer<br/> <input type="checkbox"/> Finished Product Supplier<br/> <input type="checkbox"/> Grower<br/> <input type="checkbox"/> Homeworker<br/> <input type="checkbox"/> Labour Provider<br/> <input type="checkbox"/> Pack House<br/> <input type="checkbox"/> Primary Producer<br/> <input type="checkbox"/> Service Provider<br/> <input type="checkbox"/> Sub-Contractor</p> |
| <p>H: Month(s) of peak season:<br/>(if applicable)</p>  | <p>No obvious peak season</p>  |
| <p>I: Process overview:<br/>(Include products being produced, main operations, number of production lines, main equipment used)</p> | <p>Main product manufactured : Hammock<br/>           Main working process: cutting , sewing, finishing and packing<br/>           Main equipment: cutter, sewing machine<br/>           The factory had 1 production line.</p>  |
| <p>J: What form of worker representation / union is there on site?</p>  | <p><input type="checkbox"/> Union (name)<br/> <input checked="" type="checkbox"/> Worker Committee<br/> <input type="checkbox"/> Other (specify)<br/> <input type="checkbox"/> None</p>  |
| <p>K: Is there any night production work at the site?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p>  |
| <p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           L1: If yes, approx. % of workers in on site accommodation</p>   |
| <p>M: Are there any off site provided worker accommodation buildings</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           M1: If yes, approx. % of workers</p>  |
| <p>N: Were all site-provided accommodation buildings included in this audit</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           N1: If no, please give details<br/>           The factory did not provide dormitory for employees .</p>   |

**Audit Parameters**

|  |  |   |   |
|--|--|---|---|
| A: Time in and time out  | A1: Day 1 Time in: 9:30<br>A2: Day 1 Time out: 18:00   | A3: Day 2 Time in: N/A<br>A4: Day 2 Time out: N/A | A5: Day 3 Time in: N/A<br>A6: Day 3 Time out: N/A |
| B: Number of auditor days used:  | 1 Man -day (1 Auditor x 1 Day)   |   |   |
| C: Audit type:   | <input type="checkbox"/> Full Initial<br><input checked="" type="checkbox"/> Periodic<br><input type="checkbox"/> Full Follow-up<br><input type="checkbox"/> Partial Follow -Up<br><input type="checkbox"/> Partial Other<br>If other, please define : |   |   |
| D: Was the audit announced?  | <input type="checkbox"/> Announced<br><input checked="" type="checkbox"/> Semi - announced: Window detail: 2 weeks , from Apr. 30, 2020 to May. 14, 2020<br><input type="checkbox"/> Unannounced   |   |   |
| E: Was the Sedex SAQ available for review?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>If No, why not<br>The factory did not complete the SAQ on audit day.   |   |   |
| F: Any conflicting information SAQ/Pre - Audit Info to Audit findings?                 | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>If Yes, please capture detail in appropriate audit by clause<br>N/A. The factory did not complete the SAQ on audit day.   |   |   |
| G: Who signed and agreed CAPR (Name and job title)                                     | Mr. Guangmeng Chen / Vice GM   |   |   |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |   |   |
| I: Previous audit date:  | May 7, 2019  |   |   |
| J: Previous audit type:  | SMETA- Periodic Audit  |   |   |
| K: Were any previous audits reviewed for this audit                                    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br><input type="checkbox"/> N/A  |   |   |

| Audit attendance | Management | Worker Representatives |                       |
|------------------|------------|------------------------|-----------------------|
|                  | Senior     | Worker Committee       | Union representatives |

|  | management  | 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<br><i>(only complete if no worker reps present)</i> | N/A   |   |   |
| E: If Union Representatives were not present please explain reasons why:<br><i>(only complete if no union reps present)</i>  | No union was established in the factory                             |   |   |

## Worker Analysis

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

| Worker Analysis                        |           |           |        |           |           |        |              |       |
|--|-----------|-----------|--------|-----------|-----------|--------|--------------|-------|
|  | Local     |           |        | Migrant*  |           |        | Home workers | Total |
|  | Permanent | Temporary | Agency | Permanent | Temporary | Agency |              |       |
| Worker numbers – Male                  | 10        | 0         | 0      | 2         | 0         | 0      | 0            | 12    |
| Worker numbers – female                | 17        | 0         | 0      | 1         | 0         | 0      | 0            | 18    |
| Total                                  | 27        | 0         | 0      | 3         | 0         | 0      | 0            | 30    |
| Number of Workers interviewed – male   | 2         | 0         | 0      | 2         | 0         | 0      | 0            | 4     |
| Number of Workers interviewed – female | 5         | 0         | 0      | 1         | 0         | 0      | 0            | 6     |
| Total – interviewed sample size        | 7         | 0         | 0      | 3         | 0         | 0      | 0            | 10    |



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

| Worker Interview Summary   |  |
|--|--|
| A: Were workers aware of the audit?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| B: Were workers aware of the code?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| C: Number of group interviews:<br><i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>  | 4 workers (4 workers in 1 group )  |
| D: Number of individual interviews<br><i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>  | D1: Male: 2      D2: Female: 4   |
| E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.<br><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<br><input type="checkbox"/> No<br><br>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<br><input type="checkbox"/> No   |
| G: In general, what was the attitude of the workers towards their workplace?   | <input checked="" type="checkbox"/> Favourable<br><input type="checkbox"/> Non –favourable<br><input type="checkbox"/> Indifferent       |
| H: What was the most common worker complaint?  | No worker complained anything during the interview.  |
| I: What did the workers like the most about working at this site?  | Most workers said that they were satisfied with working condition and the wages , and the wages and overtime were paid in time.          |
| J: Any additional comment(s) regarding interviews:   | Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.    |
| K: Attitude of workers to hours worked:  | Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general. |
| L. Is there any worker survey information available?   |  |
| <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |  |

L1: If yes, please give details:

The factory held meeting with worker rep every 3 months to collect the workers concerning , and the last meeting was held on Mar. 23 , 2020.

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 randomly selected from various workshops for private and confidential interview. The interview responses were positive towards the management and the auditor. All interviewed workers stated that they could go to the toilet or drink clean water during working hours. They also stated that they were paid by hourly -rated Wages were issued on 30th of the following month. Working time for employees was arranged from 7:30 to 11:30, 13:00 to 17:00. If there was overtime, it was normally arranged from 18:00 to 20:00. No complaint was noted during interview.

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, they said factory management were very care about workers and pay more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No any negative information was identified.

O: Attitude of managers:

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

The managers were courteous and professional throughout the audit and allowed full access for the auditor to all relevant documents and personnel. At the end of the audit, auditor conducted a close meeting with factory management to explain all findings except for the worker interview information. Mr. Guangmeng Chen / Vice GM signed the CAPR and got a copy for review .



## 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:

According to the documents review the facility has established a system (policy and procedure) to endorse at the highest level, covering regular social compliance issue only, and ensure it is communicated to all appropriate parties, including its own suppliers.

The top managements including general manager, H&S supervisor, executive staffs were appointed to response to implement the standards. Ms. Guifang Jin / Plant Manager, who was the person responsible for implementing standards concerning employee universal rights.

The factory defined some stakeholders including local government functional department to keep good awareness in compliance and other social issues.

The factory encouraged the workers and staff to report any issues related to employee universal rights by name or anonymous.

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

#### Details:

1. The CSR (Corporation Social Responsibilities) Manual was reviewed.
2. The procedure and list of main stakeholders including local government functional department (e.g. Tax, social insurance, safety in production workplace), local society, etc.
3. Management interview and records reviewed showed the factory implemented the supplier monitoring annually, which could secure it to find the risk in employee universal right at very first time.
4. The factory had established the supplier assessment policy, and the assessment records had provided for review.
5. The company used the suggestion box as the confidential report channel in the written procedures.

Any other comments:

Nil

|   |   |
|---|---|
| <p>A: Policy statement that expresses commitment to respect human rights?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> A1: Please give details:<br/> The factory showed one commitment on the employee universal rights issued by general manager as well as owner with the factory chop.</p>   |
| <p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> Please give details:<br/> The factory set up a committee led by            Manager to implement the    standards.<br/><br/> Name: Ms. Guifang Jin<br/> Job title : Plant Manager</p>                           |
| <p>C: Does the business have a transparent    system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>                                       | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> C1: Please give details :<br/> The procedure required and encouraged the workers or stakeholders to report the any issue related to employee universal rights with full protection.</p>                        |
| <p>D: Does the grievance mechanism meet UNGP expectations? ( Legitimate, Accessible, Predictable, Equitable, Transparent, Rights - compatible, a source of continuous learning and based on stakeholder engagement    )</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> D1: If no, please give details<br/> N/A</p>  |
| <p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> E1: Please give details:<br/> The policy and procedures concerning to the privacy protection was provided for review. The HR department did not have any improper practices according to this requirement.</p> |

| Findings  |  |  |
|---|--|--|
| <p>Finding: Observation <input type="checkbox"/></p> <p>Description of observation:</p> <p>None observed</p> <p>Additional Elements:</p> <p>Comments:</p> | <p>Company NC <input type="checkbox"/></p> | <p>Objective evidence observed:</p> <p>N/A</p> |

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

N/A

## Measuring Workplace Impact

| Workplace Impact  |  |  |
|---|--|--|
| <b>A: Annual worker turnover:</b><br>Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)   | <b>A1: Last year:</b><br>_16.67_ %<br><br>Since Jan. 2019 to Dec. 2019   | <b>A2: This year</b><br>_19.36_ %<br><br>Since Jan. 2020 to audit date |
| <b>B: Current % quarterly (90 days) turnover :</b><br>Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [( number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2] | 0 %  |  |
| <b>C: Annual % absenteeism :</b><br>Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2]<br>* number available workdays in the year  | <b>C1: Last year:</b><br>_0.11_ %<br><br>Since Jan. 2019 to Dec. 2019  | <b>C2: This year</b><br>_0.12_ %<br><br>Since Jan. 2020 to audit date  |
| <b>D: Quarterly (90 days) % absenteeism :</b><br>Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2]<br>* Number of available workdays in the month                                    | 0.15 %   |  |
| <b>E: Are accidents recorded?</b>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please describe:<br>The manager provides the accident record in audit. |  |
| <b>F: Annual Number of work related accidents and injuries per 100 workers :</b><br>[(Number of work related accidents and injuries * 100) / Number of total workers]   | <b>F1: Last year: 2019</b><br>Number: 0  | <b>F2: This year: 2020</b><br>Number: 0                                |
| <b>G: Quarterly (90 days) number of work related accidents and injuries per 100 workers:</b><br>[(Number of work related accidents and injuries * 100) / Number of total workers]   | 0  |  |
| <b>H: Lost day work cases per 100 workers :</b><br>[(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]  | <b>H1: Last year: 0</b>  | <b>H2: This year: 0</b>  |
| <b>I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months :</b>  | <b>I1: 6 months</b><br>_0_ % workers   | <b>I2: 12 months</b><br>_0_ % workers                                  |
| <b>J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months :</b>   | <b>J1: 6 months</b><br>_0_ % workers   | <b>J2: 12 months</b><br>_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:**

According to the documents review the facility has established a system to deliver compliance to the code which includes child labour prohibition system and overtime work control system.

Some of the interviewees understood the basic components of the code such as do not use child labour and the control of working hours.

The appointment letter of management representative for management of ETI compliance is also provided for review.

And auditor crosschecked attendance records provided by management with related production records collected from workshops and interview 10 sample workers. No inconsistency was noted.

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

**Details:**

1. Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and employee interview
4. The factory had established the supplier assessment policy, and the assessment records had provided for review

**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 record was noted in any public information channel as long as auditor fully acknowledge. And this was confirmed through employees and management interview.

|   |  |
|---|--|
| <p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment &amp; abuse?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     B1: Please give details :<br/>                     The factory established policies and procedures on forced labour, child labour, discrimination, harassment &amp; abuse and no negative evidence was found.</p> |
| <p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>   | <p>The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.</p>  |
| <p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     D1: Please give details:<br/>                     Based on worker and management interview, they knew the policies well.</p>  |
| <p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     E1: Please give details:<br/>                     The factory had provided the training to management and workers.<br/>                     The related record was provided for review.</p>                       |
| <p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits).<br/>                     Please detail (Number and date).</p> | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     F1: Please give details:<br/>                     The factory was not accredited with system certifications .</p>   |
| <p>G: Is there a Human Resources manager/department?<br/>                     If Yes, please detail.</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     G1: Please give details:<br/>                     Ms. Guifang Jin was in charge of HR in the factory.</p>   |
| <p>H: Is there a senior person / manager responsible for implementation of the code</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     H1: Please give details :<br/>                     Ms. Guifang Jin was responsible for implement of the code.</p>   |
| <p>I: Is there a policy to ensure all worker information is confidential ?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     I1: Please give details :<br/>                     The information and privacy protection policy was available for review.</p>  |
| <p>J: Is there an effective procedure to ensure confidential information is kept confidential ?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     J1: Please give details:<br/>                     The information and privacy protection</p>  |

|  |   |
|--|---|
|  | procedure was available for review.   |
| K: Are risk assessments conducted to evaluate policy and procedure effectiveness?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>K1: Please give details :<br>The factory had the risk assessment including procedure and assessment records.  |
| 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<br><input type="checkbox"/> No<br>L1Please give details :<br>1. The factory assessed the risks related all aspects of the ETI code, e.g. Working hours, wages & benefits, harassment, discrimination, ethics, H&S, environment issue.<br>2. The control methods were advised and implemented if the middle or high risks were identified. |
| M: Does the facility have a policy/code which require labour standards of its own suppliers?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>M1: Please give details:<br>The supplier management procedure with requirements was established, and the factory communicate d the ETI code to its suppliers/contractors and business partners.   |
| <b>Land rights</b>   |   |
| N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N1: Please give details:<br>The factory provided the building property title certificate and relevant reports (fire safety, construction safety and environment) .  |
| 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<br><input type="checkbox"/> No<br>O1: Please give details:<br>The factory set up the procedure and appointed executive department to conduct legal due diligence to recognize and apply national laws and practices relating to land title .  |
| P: Does the site have a written policy and procedures specific to land rights.<br>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<br><input checked="" type="checkbox"/> No<br>P1: If yes, how does the company obtain FPIC?<br>The land in China mainland was belonged to State owned. Anybody, no matter the character was, could only rent for a periods.   |
| Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>Q1: Please give details:<br>N/A  |

|   |  |
|---|--|
| <p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts ?</p> | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> R1: Please give details:<br/> N/A</p>  |
| <p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>                               | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> S1: Please give details:<br/> All the process of building was legal according to the interview and document .</p> |

| Non-compliance:  |  |
|--|--|
| <p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code :</p> <p>None observed</p> <p>Additional Elements:</p> <p>Recommended corrective action:</p> | <p>Objective evidence observed:<br/> <i>(where relevant please add photo numbers)</i></p> <p>N/A</p> |

| Observation:  |  |
|---|--|
| <p>Description of observation:<br/> The factory did not complete the SAQ on audit day.</p> <p>Additional Elements:<br/> N/A</p> <p>Comments:<br/> The factory claimed they would complete SAQ within next week.</p> | <p>Objective evidence observed:</p> <p>Per document review</p> |

| Good Examples observed:                                       |  |
|---|--|
| <p>Description of Good Example (GE):</p> <p>None observed</p> | <p>Objective evidence observed:</p> <p>N/A</p> |



**1: Freely Chosen Employment**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Based on interview with the management & workers and document review, it was identified that the factory had established the employment policies & program.
- Factory established human resources policies – given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages on their last day of work.
- The employees obtained their job by HR market or by friend's recommendation.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no bonded or involuntary prison labor identified.
- The terms and conditions of employment in the handbook state that the 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:**

- The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review
- Personnel files
- Contracts to establish notice periods.
- Management interview and employee interview.
- Facility tour showed no sign of employees being under pressure.

**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:

|  |   |
|--|---|
| <p>C: Is there any evidence of retention of wages / deposits</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 C1: If yes, please give details and category of worker affected:</p>   |
| <p>D: Are there any restrictions on workers' freedom to terminate employment?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 D1: Please describe finding:<br/>                 The practices of workers leaving complied with legal requirements.</p>   |
| <p>E: If any part of the business is UK based or registered there &amp; has a turnover over £ 36m, is there a published a 'modern day slavery statement' ?</p> | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <input checked="" type="checkbox"/> Not applicable<br/>                 E1: Please describe finding:<br/>                 The factory employed Chinese only, which complied with local legal requirements and international codes.</p>  |
| <p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day ?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 F1: Please describe finding:<br/>                 The workers could leave the factory in his or her own willing even in the working time if he or she required.</p>  |
| <p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <input type="checkbox"/> Not applicable<br/>                 G1: If yes, please give details and category of workers affected:<br/>                 The factory established the policy and procedure to assess, restrict, reduce and eliminate the risks of forced / trafficked / bonded labour in its supply chain.</p> |
| <p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 H1: Please describe finding:<br/>                 The factory set up the policy and procedure to avoid any form of force labour in its supply chain.</p>   |

Non-compliance:

|  |   |
|--|---|
| <p>1. Description of non-compliance:<br/> <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law :    <input type="checkbox"/> NC against customer code :<br/>                 None observed<br/>                 Local law and/or ETI requirement<br/>                 Recommended corrective action:</p> | <p>Objective evidence observed:<br/>                 (where relevant please add photo numbers)<br/>                 N/A</p> |
|--|---|

Observation:

|   |  |
|---|--|
| <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Comments:</p> | <p>Objective evidence observed:</p> <p>N/A</p> |
|---|--|

|   |  |
|---|--|
| <p>Good Examples observed:</p>                                |  |
| <p>Description of Good Example (GE):</p> <p>None observed</p> | <p>Objective evidence observed:</p> <p>N/A</p> |

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

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

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

ETI

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

**Current Systems and Evidence Examined**

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

Current systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All -China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- No trade union was established .
- By workers interview, it was noted that workers could raise their complaint to the supervisor directly or through worker representative s, they elected 2 employee s as worker representative on Mar. 12, 2020 .

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

Details:

- Complaint& handling record.
- Freedom of Association policies.

Any other comments:

Nil

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

|  |  |  |
|--|--|--|
| worker's committee?  | <input checked="" type="checkbox"/> No   |  |
| D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)                       | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: Please give details:<br>Suggestion box or talk to management directly.<br><br>D2: Is there evidence of free elections?<br><input checked="" type="checkbox"/> Yes<br><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<br><input type="checkbox"/> No<br>E1: Please give details:<br>There was a room in the office section was specific for that purpose.  |  |
| F: Name of union and union representative, if applicable:  | N/A  | F1: Is there evidence of free elections?<br><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?  | 2 worker representative s were elected in the factory  | G1: Is there evidence of free elections?<br><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 : Mar. 12, 2020  |
| 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<br>If Yes, please state how many:<br>One worker representative was interviewed.  |  |
| L: Please describe any evidence that union/worker's committee is effective?<br><i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i> | Confirmed with worker representative interview and worker interview, workers could complain to the representative directly or asked her for help when needed.  |  |
| 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: ____% workers covered by Union CBA   | M2: ____% workers covered by worker rep CBA  |
| M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay ?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No  |  |

**Non-compliance:**

1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

*(where relevant please add photo numbers)*

N/A

**Observation:**

Description of observation:

None observed

Local law or ETI requirement:

Comments:

Objective evidence observed:

N/A

**Good Examples observed:**

Description of Good Example (GE):

None observed

Objective evidence observed:

N/A

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

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

- Mr. Guangmeng Chen / Vice GM was appointed as Health & Safety Manager for the site.
- Potable water was freely available in all areas.
- Sufficient toilets segregated by gender were available at all times to workers.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager, and each point is acted on.

##### 2. Fire Safety

- There were at least 2 exits from each work area and were clearly marked.
- Firefighting equipment was adequate and checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all workers interviewed.
- Fire drill was organized and recorded twice per year.

##### 3. Electrical and machine safety

- All electrical equipment was maintained by special mechanic.
- Employees were trained for electrical and equipment safety policy.

##### 4. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 2 first aid personnel, and the factory confirmed the personnel had been trained at Local Red Cross.

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

#### Details:

- Facility tour
- Management interview and employee interview
- Health and safety policy

- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records on Dec. 31, 2019
- Government licenses and checks on air quality and noise level on Nov. 21, 2019
- Building structure completion accepted on Oct. 25, 2007
- Fire safety accepted on Aug. 30, 2007
- Trained first aid personnel register (2 person)
- Accident reports
- Potable water testing report on Aug. 28, 2019
- Interviews with H&S manager
- Interviews with workers and H&S committee members
- Special equipment inspection report and operators' certificate

Any other comments:

Nil

|   |  |
|---|--|
| <p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>                             | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     A1: Please give details:<br/>                     The factory set up the policy and procedures and provided training including for those new workers.</p>                 |
| <p>B: Are the policies included in workers' manuals?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     B1: Please give details:<br/>                     The employee manual, which was delivered to every workers covered general requirements of the H&amp;S requirements.</p> |
| <p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     C1: Please give details:<br/>                     According to the documents, the construction structure of the factory is consistent with the completion acceptance.</p> |
| <p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     D1: Please give details: The factory informed the occupational hazard factors in each area and provided PPE to auditor.</p>   |
| <p>E: Is a medical room or medical facility provided for workers?<br/><br/>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p> | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     E1: Please give details: The first aid kit was provided in all workshops for worker.</p>  |
| <p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     F1: Please give details:<br/><br/>The factory had 1 qualified first aid personnel.</p>  |
| <p>G: Where the facility provides worker</p>  | <p><input type="checkbox"/> Yes</p>  |



|   |  |
|---|--|
| transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles ?   | <input checked="" type="checkbox"/> No<br>G1: Please give details:<br>The factory did not provide transport for workers.   |
| H: Is secure personal storage space provided for workers in their living space and is fit for purpose ?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>H1: Please give details:<br>The factory provided secure personal storage space to all workers.                     |
| I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk ? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>I1: Please give details:<br>The factory performed risk assessment for the workplace and based on different people. |
| J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources ?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>J1: Please give details:<br>The factory provided all inspection report or legal certificate for review.            |
| K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals ?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>K1: Please give details:<br>The factory is meeting the local law and customer requirements.                        |

Non-compliance:

1. Description of non-compliance:

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

It was noted that 50% of employees did not use sewing machine needle guards in working time.

Remark: The factory equipped all the sewing machines with needle guards.

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.

ETI requirement:

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

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure

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

Per factory tour, please refer to NC photo 1

that all sewing machines are equipped with needle guards and all employees use it in working time.

2. Description of non-compliance:

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

It was noted that the factory failed to provide the safety qualification certificate for safety production management and responsibility person.

ETI requirement :

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 the Law of the PRC on Work Safety Article 24 , the principal in charge and persons for the management of work safety in production and business entities have to have the knowledge about work safety and the competence for the management, which are commensurate with the production and business activities of these entities. The principal in charge and persons for the management of work safety in production and business entities that produce, trade or store hazardous articles, and mines, metal smelting, building construction, and road transport shall only be appointed to the posts after they pass the examinations in their knowledge about work safety and their competence in the management conducted by the competent departments for work safety supervision and administration. No fees shall be charged for taking such examinations. Entities that produce or store hazardous articles, and mines, metal smelting shall have certified safety engineer to work on the management of work safety.

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure the factory obtained safety production management and responsibility person certification.

3. Description of non-compliance:

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

It was noted that the distance between some stacks and the wall was '0' in the warehouse area.

Local law:

In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.

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

Document review, worker interview and management interview

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

Per factory tour, please refer to NC photo 2

ETI requirement:

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

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that the stacks between wall gaps were more than 0.5m.

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 medical check to workers who were exposed to hazardous factors, such as noise.

Local law :

In accordance with Article 36 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the labourers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the labourers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the labourers 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 labourers 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 labourers that have occupational contraindications to undertake the operations that they shall avoid; the labourers 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 labour contracts signed with the labourers 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 approved by the administrative departments of health of the people's governments at the provincial level and above.

ETI requirement:

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

Recommended corrective action:

The factory should provide regular medical check-up to workers who were exposed to hazardous work environment.

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

Document review, worker interview and management interview

5. Description of non-compliance:

NC against ETI  NC against Local Law  NC against customer

code :

It was noted that factory management failed to provide the special equipment registration for the forklift being used in the factory.

Local law :

In accordance with Article 25 of Safety Monitoring Regulation of Special Equipment, The special equipment should be registered to local special equipment safety monitoring authority before putting in use or within 30 days since put in use. The registration symbol should be posted to visible position of the special equipment.

ETI requirement:

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

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that the special equipment registrations for the forklift are obtained from local special equipment safety monitoring authority.

6. Description of non-compliance:

NC against ETI  NC against Local Law  NC against customer

code :

It was noted that factory management failed to provide the auditors with the safety inspection report for the forklift being used in the factory.

Local law :

In accordance with Article 28 of Safety Monitoring Regulation of Special Equipment, The enterprise that is using the special equipment should apply to inspection & test authority for regular inspection one month before the expiry date of the "pass" status in accordance with the regular inspection criteria of the safety specification. Special equipment without regular inspection or not passing the inspection should not be continued to use.

ETI requirement:

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

Recommended corrective action:

It is recommended that management adopt practices and controls to ensure that a safety inspection for the forklift being used in the factory is conducted and the safety inspection certificate is obtained.

5. Objective evidence observed:

(where relevant please add photo numbers)

Document review, worker interview and management interview

6. Objective evidence observed:

(where relevant please add photo numbers)

Document review, worker interview and management interview

|  |  |
|--|--|
|  |  |
|--|--|

| Observation:  |   |
|---|---|
| Description of observation:<br>None observed<br><br>Local law or ETI requirement:<br><br>Recommended corrective action: | Objective evidence observed:<br><br>N/A |

| Good Examples observed:                            |                                     |
|--|-------------------------------------|
| Description of Good Example (GE):<br>None observed | Objective Evidence Observed:<br>N/A |

**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:**

- Based on documents checking, the factory kept valid and sufficient age information such as copies of ID card. And personal files showed that no child labor or young worker was identified in the factory.
- Based on document review and workers interview, no child labor or young worker was found in the factory. The youngest worker in the factory was 26 years old, and who was born on Feb. 8, 1994 and entered the factory on Mar. 21, 2014 .
- Based on workers' interview, HR staff interviewed with them and checked their ID cards.
- Based on onsite observation, there was no child labor found.

Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour .

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

**Details:**

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

**Any other comments:**

Nil

|                                  |   |
|----------------------------------|---|
| A: Legal age of employment :     | Legal minimum: 16 years old   |
| B: Age of youngest worker found: | The youngest worker in the factory was 26 years old, and who was born on Feb. 8, 1994 and entered the factory on Mar. 21, 2014. |

|   |  |
|---|--|
| C: Are there children present on the work floor but not working at the time of audit ?                        | <input type="checkbox"/> Yes<br><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?<br><u>(Go to clause 3 – Health and Safety)</u> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>E1: If yes, give details |

Non-compliance:

|  |   |
|--|---|
| 1. Description of non-compliance:<br><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code :<br><br>None observed<br><br>Local law and/or ETI requirement:<br><br>Recommended corrective action: | Objective evidence observed:<br><i>(where relevant please add photo numbers)</i><br><br>N/A |
|--|---|

Observation:

|  |   |
|--|---|
| Description of observation:<br><br>None observed<br><br>Local law or ETI requirement:<br><br>Comments: | Objective evidence observed:<br><br>N/A |
|--|---|

Good Examples observed:

|  |   |
|--|---|
| Description of Good Example (GE):<br><br>None observed | Objective Evidence Observed:<br><br>N/A |
|--|---|



**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:**

- Legal minimum wage was RMB 1,800 per month (10.35 per hour) since Dec. 1, 2017.
- All workers were paid on 30th of each month by cash and each worker was given a pay slip and signed for their wages.
- All workers' wages were calculated by hourly rate.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- The factory management compensated all workers at a legal mandated rate for their overtime hours, respectively 150%, 200% and 300% of regular pay for overtime work on working days, rest days and statutory holidays.
- The factory provided parts of social insurance for employees.

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

**Details:**

- Production records: inspection records and material delivery records.
- Management and Employee interviews
- Recent 12 months' social insurance receipts
- Working hour policy
- Wages policy
- Leave management policy

**Any other comments:**

Nil

**Non-compliance:**

1. Description of non-compliance:

Objective evidence



|  |   |
|--|---|
| <p><input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code :</p> <p>The factory failed to provide social insurance for all employees. Per related 12 months records review, it was noted that the factory provided 12 out of 30 employees with retirement, medical, birth, injury and unemployment insurance. The factory provided commercial accident insurance for all employees.<br/>Remarks: Total 6 out of 30 employees were retired and rehired.</p> <p><b>Local Law:</b><br/>In accordance with Article 73 of the Labour 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.<br/>The survivors of the insured labourers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for labourers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that labourers and entitled to, must be timely paid in full amount.</p> <p><b>ETI requirement:</b><br/>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.</p> <p><b>Recommended corrective action:</b><br/>It is recommended that the factory should provide social insurance for all employees as per legal requirements.</p> | <p>observed:<br/><i>(where relevant please add photo numbers)</i></p> <p>Document review, worker interview and management interview</p> |
|--|---|

|  |   |
|--|---|
| Observation:   |   |
| <p>Description of observation:<br/>None observed</p> <p>Local law or ETI requirement:</p> <p>Comments:</p> | <p>Objective evidence observed:<br/>N/A</p> |

|  |   |
|--|---|
| Good Examples observed:                                    |   |
| <p>Description of Good Example (GE):<br/>None observed</p> | <p>Objective Evidence Observed:<br/>N/A</p> |

### Summary Information

| Criteria  | Local Law<br><i>(Please state legal requirement)</i>   | Actual at the Site<br><i>(Record site results against the law)</i>   | Is this part of a Collective Bargaining Agreement?                        |
|---|--|--|---|
| <b>A: Standard/Contracted work hours:</b><br><i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i> | Legal maximum :<br>8 hours per day<br>40 hours per week  | A1: 8 hours per day<br>40 hours per week   | A2:<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A |
| <b>B: Overtime hours:</b><br><i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>  | Legal maximum :<br>3 hours per day<br>36 hours per month   | B1: Weekday overtime: 2 hours per day<br>56 hours per month  | B2:<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A |
| <b>C: Wage for standard/contracted hours:</b><br><i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>              | Legal minimum:<br>RMB 1,660 per month ( RMB9.55 per hour ) since Dec. 1, 2017  | C1: RMB 2,262 per month (RMB13 per hour)   | C2:<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A |
| <b>D: Overtime wage:</b><br><i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>                          | Legal minimum:<br>150% of regular wage for weekday overtime;<br>200% of regular wage for weekend overtime;<br>300%of regular wage for holiday overtime | D1: 150% of regular wage for weekday overtime;<br>200% of regular wage for weekend overtime;<br>300%of regular wage for holiday overtime | D2:<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A |

### Wages analysis:

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

|   |  |
|---|--|
| A: Were accurate records shown at the first request?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| A1: If No, why not?   | N/A  |
| B: Sample Size Checked<br><i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i> | 10 samples from Jul. 2019 (Random month)<br>10 samples from Dec . 2019 (Random month)<br>10 samples from Mar. 2020 (Current month) |
| C: Are there different legal minimum wage grades? If Yes, please specify  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>C1: If Yes, please give details:                         |

|  |  |   |
|--|--|---|
| all.   |  |   |
| D: If there are different legal minimum grades, are all workers graded and paid correctly?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> N/A   | D1: If No, please give details:   |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? | <input type="checkbox"/> Below legal min<br><input type="checkbox"/> Meet<br><input checked="" type="checkbox"/> Above                                 | E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i><br><br>RMB 2,262 per month ( RMB13 per hour)  |
| F: Please indicate the breakdown of workforce per earnings:  | F1: ____% of workforce earning under minimum wage<br>F2: ____% of workforce earning minimum wage<br>F3: _100_% of workforce earning above minimum wage |   |
| G: Bonus Scheme found: Please specify details:   | Bonus Scheme found:<br><i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i><br><br>Nil |   |
| H: What deductions are required by law e.g. social insurance? Please state all types:  | Social insurance and income tax.   |   |
| I: Have these deductions been made?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | I1: Please list all deductions that have been made.<br><br>1. social insurance<br>2. personal income tax<br><br>Please describe: The social insurance were shared by factory and workers, and personal income tax was deducted individual ly. |
|  |  | I2: Please list all deductions that have not been made.<br><br>1.<br>2.<br><br>Please describe:   |
| J: Were appropriate records available to verify hours of work and wages?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |
| K: Were any inconsistencies found? (if yes describe nature)  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | K1: Type<br><br><input type="checkbox"/> Poor record keeping<br><input type="checkbox"/> Isolated incident<br><input type="checkbox"/> Repeated occurrence:   |
| L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work)                               | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>L1: Please give details:   |   |

|   |   |
|---|---|
| but not paid for their time)  | The workers stated the time in factory would be paid according to law.  |
| <p>M: Is there a defined living wage:<br/> <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info:<br/> Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>M1: Please specify amount/time:<br>The factory did not calculate the living wage and no such requirement were implemented in China.   |
| <p>M2: If yes, what was the calculation method used.</p>  | <input type="checkbox"/> ISEAL/Anker Benchmarks<br><input type="checkbox"/> Asia Floor Wage<br><input type="checkbox"/> Figures provided by Unions<br><input type="checkbox"/> Living Wage Foundation UK<br><input type="checkbox"/> Fair Wear Wage Ladder<br><input type="checkbox"/> Fairtrade Foundation<br>Other – please give details: N/A |
| <p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretion ary income).</p>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>N1: Please give details:<br>The factory paid workers according to legal requirement .   |
| <p>O: Are workers paid in a timely manner in line with local law?</p>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| <p>P: Is there evidence that equal rates are being paid for equal work:</p>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>P1: Please give details:<br>Through factory rules review, payroll records review and employee’s interviews, it was confirmed that equal rates were being paid for equal work.   |
| <p>Q: How are workers paid:</p>   | <input checked="" type="checkbox"/> Cash<br><input type="checkbox"/> Cheque<br><input type="checkbox"/> Bank Transfer<br><input type="checkbox"/> Other<br>Q1: If other, please explain:  |

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- According to workers interview and time records, working time for employees was arranged from 7:30 to 11:30, 13:00 to 17:00. If there was overtime, it was normally arranged from 18:00 to 20:00.
- Working hours was recorded by electronic attendance system machine; the factory provided attendance records from Apr. 2019 to the audit day.
- Based on the working time records, all employees had one day off in every 7 days.

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

**Details:**

- Employee interview
- Management interview
- Factory policy on working hours
- Time cards records

- Sample pay slips with recorded hours all workers interviewed
- Quality and production records to cross check hours

Any other comments:  
Nil

**Non-compliance:**

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

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

A review of 10 sample population employees' time records Jul. 2019, Dec. 2019 and Mar. 2020 yielded the following:

- 10 out of 10 employees worked in excess of 36 overtime hours per month (i.e. 56 hours) in Jul. 2019, which was not in compliance with the legal requirement;
- 10 out of 10 employees worked in excess of 36 overtime hours per month (i.e. 52~54 hours) in Dec. 2019, which was not in compliance with the legal requirement;
- 10 out of 10 employees worked in excess of 36 overtime hours per month (i.e. 50~54 hours) in Mar. 2020, which was not in compliance with the legal requirement.

**Local Law:**

In accordance with Article 41 of the Labour 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.

**ETI requirement:**

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

**Recommended corrective action:**

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

**1. Objective evidence observed:**

*(where relevant please add photo numbers)*

Document review and workers interview

**Observation:**

**Description of observation:**

None observed

**Local law or ETI requirement:**

**Objective evidence observed:**

N/A

|           |  |
|-----------|--|
| Comments: |  |
|-----------|--|

| Good Examples observed:                                |   |
|--|---|
| Description of Good Example (GE):<br><br>None observed | Objective Evidence Observed:<br><br>N/A |

| <b>Working hours' analysis</b><br>Please include time e.g. hour/week/month<br>( <a href="#">Go back to Key information</a> ) |  |                                       |                                    |                                       |                                |
|--|--|---------------------------------------|------------------------------------|---------------------------------------|--------------------------------|
| Systems & Processes  |  |                                       |                                    |                                       |                                |
| A. What timekeeping systems are used: time card etc.   | Describe: <i>Electronic attendance recording system (finger printing)</i>  |                                       |                                    |                                       |                                |
| B: Is sample size same as in wages section ?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: If no , please give details  |                                       |                                    |                                       |                                |
| C: Are standard/contracted working hours defined in all contracts/employment agreements?                                     | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.<br>Please give details:  |                                       |                                    |                                       |                                |
| D: Are there any other types of contracts/employment agreements used?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>D1: If YES, please complete as appropriate:<br><table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> 0 hrs</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> Part time</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> Variable hrs</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> Other</td> </tr> </table> If "Other", Please define: | <input type="checkbox"/> 0 hrs        | <input type="checkbox"/> Part time | <input type="checkbox"/> Variable hrs | <input type="checkbox"/> Other |
| <input type="checkbox"/> 0 hrs   | <input type="checkbox"/> Part time   | <input type="checkbox"/> Variable hrs | <input type="checkbox"/> Other     |                                       |                                |
| E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week ?            | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency<br>Please give details:<br>N/A   |                                       |                                    |                                       |                                |
| F: Are workers provided with at least 1 day off in   | F2: Please select all<br>F3: Is this allowed by local law?<br><input checked="" type="checkbox"/> Yes  |                                       |                                    |                                       |                                |



|   |  |  |
|---|--|--|
| every 7 -day -period, or 2 in 14-day -period?   | applicable:<br><input checked="" type="checkbox"/> 1 in 7 days<br><input type="checkbox"/> 2 in 14 days<br><input type="checkbox"/> No<br>If 'No', please explain:   | <input type="checkbox"/> No  |
|   | Maximum number of days worked without a day off (in sample):   |  |
|   | 6 days   |  |
| <b>Standard/Contracted Hours worked</b>   |  |  |
| G: Were standard working hours over 48 hours per week found ?   | <input type="checkbox"/> Yes<br><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<br><input checked="" type="checkbox"/> No   | H1: If yes, please give details :  |
|   |  | N/A  |
| <b>Overtime Hours worked</b>  |  |  |
| I: Actual overtime hours worked in sample (State per day/week/month)                                    | Highest OT hours:<br>10 samples from Jul. 2019 (Random month) :<br>2 hours per day, 14 hours per week, 56 hours per month<br>10 samples from Dec. 2019 (Random month) :<br>2 hours per day, 14 hours per week, 54 hours per month<br>10 samples from Mar. 2020 (Current month) :<br>2 hours per day, 14 hours per week, 54 hours per month |  |
| J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details: | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| K: Approximate percentage of total workers on highest overtime hours :                                  | ___80___%  |  |
| L: Is overtime voluntary?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> Conflicting Information   | L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:<br><br>The procedure and policy stated the workers had right to work voluntary. No restrict clause was found in any document read onsite, e .g. Labour contracts, procedures, regulations, and manual. |



| Overtime Premiums  |   |  |
|--|---|--|
| M: Are the correct legal overtime premiums paid?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> N/A – there is no legal requirement to OT premium  | <p>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:</p> <p>When the workers to work overtime, 100% of workers were paid by:</p> <p>150% of regular wage for weekday overtime;</p>   |
| N: Is overtime paid at a premium?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  | <p>N1: If yes, please describe % of workers &amp; frequency:</p> <p>When the workers to work overtime, 100% of workers were paid by:</p> <p>150% of normal wage for overtime on workdays;<br/>           200% of normal wage for overtime on rest days;<br/>           300% of normal wage for overtime on statutory holidays.</p> |
| O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. | <input type="checkbox"/> No<br><input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)<br><input type="checkbox"/> Collective Bargaining agreements<br><input type="checkbox"/> Other  |  |
|  | O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other   |  |
|  | N/A   |  |
| P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.               | <input type="checkbox"/> Overtime is voluntary<br><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week<br><input type="checkbox"/> Safeguards are in place to protect worker's health and safety<br><input type="checkbox"/> Site can demonstrate exceptional circumstances<br><input type="checkbox"/> Other reasons (please specify) N/A |  |
|  | P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:  |  |
|  | <p>The legal requirement stated that the maximum overtime hours per month should be less than 36 hours.</p> <p>The maximum working hours per week in the factory were 54 hours.</p>   |  |
| Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?                     | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>Q1: If yes, please give details: N/A  |  |
| R: If sufficient workers cannot be hired, are new  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |  |

|   |  |
|---|--|
| working time arrangements explored to ensure that overtime is the exception rather than the rule. |  |
|---|--|

**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- According to management interview and worker 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.
- No discrimination was found during the audit.

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

**Details:**

- The hiring and termination procedure, leave application records and worker handbook.
- Payrolls records
- Attendance records
- Termination records
- Training records

**Any other comments:**

Nil

|  |   |
|--|---|
| <p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>   | <p>A1: Male: _ 40_ %<br/>A2: Female : _60_ %</p>  |
| <p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst :</p>   | <p>Nil</p>  |
| <p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation? :</p> | <p> <input type="checkbox"/> Hiring<br/> <input type="checkbox"/> Compensation<br/> <input type="checkbox"/> Access to training<br/> <input type="checkbox"/> Promotion<br/> <input type="checkbox"/> Termination or retirement<br/> <input checked="" type="checkbox"/> No evidence of discrimination found         </p> <p>C1: Please give details:<br/>During the auditing, the auditor found no evidence of</p> |

|  |                 |
|--|-----------------|
|  | discrimination. |
|--|-----------------|

| Professional Development   |  |
|--|--|
| A: What type of training and development are available for workers?                                  | Skills training was provided to workers and if skilled workers were assigned to sampling workshop, which could bring them more income. |
| B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>If no, please give details: N/A                          |

| Non-compliance:  |   |
|--|---|
| 1. Description of non-compliance:<br><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code :<br><br>None observed<br><br>Local law and/or ETI requirement:<br><br>Recommended corrective action: | Objective evidence observed:<br><i>(where relevant please add photo numbers)</i><br><br>N/A |

| Observation:   |   |
|--|---|
| Description of observation:<br><br>None observed<br><br>Local law or ETI requirement:<br><br>Comments: | Objective evidence observed:<br><br>N/A |

| Good Examples observed:                                |   |
|--|---|
| Description of Good Example (GE):<br><br>None observed | Objective Evidence Observed:<br><br>N/A |

**8: Regular Employment Is Provided**

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

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

**ETI**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

All the labour contracts of employees were provided for review, as per the labour contract all employees were hired by the facility directly. None of contract labour of temporary worker was employed by the facility. As reported by the interviewees, they signed labour contracts with the facility within one month upon hiring, and everyone obtained a copy of labour contract.

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

**Details:**

1. Personnel files were checked and they all include a copy of employee's contract
2. Management interview and employee interview
3. The hiring and termination practices

**Any other comments:**

Nil

Non-compliance:

|   |  |
|---|--|
| <p>1. Description of non-compliance:<br/> <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code :</p> <p>None observed</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> | <p>Objective evidence observed:<br/> <i>(where relevant please add photo numbers)</i></p> <p>N/A</p> |
|---|--|

| Observation:  |  |
|---|--|
| <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Comments:</p> | <p>Objective evidence observed:</p> <p>N/A</p> |

| Good Examples observed:                                       |  |
|---|--|
| <p>Description of Good Example (GE):</p> <p>None observed</p> | <p>Objective Evidence Observed:</p> <p>N/A</p> |

### Responsible Recruitment

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

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

|   |  |  |                               |
|---|--|--|-------------------------------|
| <p><b>Migrant Workers:</b><br/> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i></p> |  |  |                               |
| <p>A: Type of work undertaken by migrant workers:</p>   | <p>Total 3 migrant workers undertaken work same as local workers in sewing and packing position.</p> <p>Remark: The migrant worker was come from other provinces of China.</p>   |  |                               |
| <p>B: Please give details about recruitment agencies for migrant workers:</p>   | <p>B1: Total number of (in country recruitment agencies) used: 0</p> <p>B2: Total number of (outside of local country) recruitment agencies used : 0</p>   |  |                               |
| <p>C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker ?</p>  | <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"> <input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <p>C1: Please describe finding: N/A</p> </td> <td style="width: 50%;"> <p>C2: Observations : N/A</p> </td> </tr> </table> | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><p>C1: Please describe finding: N/A</p> | <p>C2: Observations : N/A</p> |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><p>C1: Please describe finding: N/A</p>  | <p>C2: Observations : N/A</p>  |  |                               |
| <p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent</i></p>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><p>D1: If yes, number and example of roles :<br/>                 No migrant worker was found in management role .</p>   |  |                               |

workers, temporary and/or seasonal workers)

### NON-EMPLOYEE WORKERS

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

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



|   |  |
|---|--|
| agreement with all agencies?  | <input type="checkbox"/> No<br><br>D1: Please give details: N/A                                  |
| E: Does the site have a system for checking labour standards of agencies?<br>If yes, please give details. | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>E1: Please give details : N/A |

|   |  |
|---|--|
| <b>Contractors :</b><br><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<br><input checked="" type="checkbox"/> No<br>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<br><input type="checkbox"/> No<br>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**

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

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:

As per the facility management documents review worker interview and factory tour there was no subcontractor used by facility currently, and if the client's product need subcontractor, they would inform the client. Therefore, no apparent issue was detected regarding this section.

The services staffs such as security guards were implemented by the factory's security.

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

1. Production record was provided for review and there was no sign of sub –contracting or homeworking.
2. Facility tour
3. Management interview and employee interview

Details:

Nil

**Non-compliance:**

1. Description of non –compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code :

None observed

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence

observed:

*(where relevant please add photo numbers)*

N/A

**Observation:**

Description of observation:

Objective evidence

|   |                      |
|---|----------------------|
| None observed<br><br>Local law or ETI/Additional elements requirement:<br><br>Comments: | observed:<br><br>N/A |
|---|----------------------|

|  |   |
|--|---|
| Good Examples observed:                                |   |
| Description of Good Example (GE):<br><br>None observed | Objective Evidence Observed:<br><br>N/A |

| 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<br><input type="checkbox"/> No<br>A1: Please describe:           |
| B: If sub-contractors are used, is there evidence this has been agreed with the main client?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>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<br><input type="checkbox"/> No<br>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<br><input type="checkbox"/> No<br>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<br><input type="checkbox"/> Through Agents                  |             | C1: If through agents, number of agents: |

|   |   |  |
|---|---|--|
|   |   |  |
| D: Is there a site policy on homeworking?   | <input type="checkbox"/> Yes<br><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<br><input type="checkbox"/> No<br><br>G1: Please give details: |  |
| H: Are full records of homeworkers available at the site?                         | <input type="checkbox"/> Yes<br><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

|  |   |
|--|---|
| <p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>                      | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 Please give details:<br/>                 Through hot line such as Labor bureau official with phone number 12333 or used public service number in We Chat.</p>   |
| <p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>  | <p>Based on interview with workers, they understood how to use the channel if necessary.</p>  |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>  | <p>Confidential email, issues were discussed at senior management level and investigated by the responsible person.</p>   |
| <p>D: Which of the following groups is there a grievance mechanism in place for ?</p>  | <p><input checked="" type="checkbox"/> Workers<br/> <input checked="" type="checkbox"/> Communities<br/> <input type="checkbox"/> Suppliers<br/> <input type="checkbox"/> Other<br/><br/>                 D1: Please give details: If the workers have any question or need help, they can through the suggestion box or talking direct to their manager and trade union.</p> |
| <p>E: Are there any open disputes?</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/><br/>                 E1: If yes, please give details</p>   |
| <p>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 )</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/><br/>                 F1: If no, please give details</p>  |
| <p>G: Is there a published and transparent disciplinary procedure ?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/><br/>                 G1: If no, please explain</p>   |
| <p>H: If yes, are workers aware of these the disciplinary procedure ?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/><br/>                 H1: If no, please give details</p>  |

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- According to the factory regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory. According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

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

**Details:**

- Factory regulations, hiring procedures and anti-harassment training records were checked.
- Management interview and employee interview
- The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

**Any other comments:**  
 Nil

| Non-compliance:   |  |
|---|--|
| <p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code :</p> <p>None observed</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> | <p>Objective evidence observed:<br/> <i>(where relevant please add photo numbers)</i></p> <p>N/A</p> |

| Observation:   |  |
|--|--|
| <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> | <p>Objective evidence observed:</p> <p>N/A</p> |

|           |  |
|-----------|--|
| Comments: |  |
|-----------|--|

| Good Examples observed:                            |                                     |
|--|-------------------------------------|
| Description of Good Example (GE):<br>None observed | Objective Evidence Observed:<br>N/A |

**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:**

- All employees are Chinese. As per the provided labour contracts, all employees were hired directly by the facility, no contract labour was found in the facility.

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

**Details:**

- Labor contract.
- Personnel files.
- Hiring procedure.
- Worker handbook.

**Any other comments:**

Nil

**Non-compliance:**

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

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

None observed

Local law and/or ETI requirement:

Recommended corrective action:

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

N/A

**Observation:**



|   |  |
|---|--|
| <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Comments:</p> | <p>Objective evidence observed:</p> <p>N/A</p> |
|---|--|

|   |  |
|---|--|
| <p>Good examples observed:</p>                                |  |
| <p>Description of Good Example (GE):</p> <p>None observed</p> | <p>Objective Evidence Observed:</p> <p>N/A</p> |

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Through onsite inspection, interviews and document review, no violation of environment pollution was observed on site .
- The facility had established an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- The facility was aware of the significant environmental impact of their site and its processes.
- The facility had measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use.
- The facility had sought to make continuous improvements in their environmental performance.
- The facility had a nominated Mr. Guangmeng Chen responsible for coordinating the site's efforts to improve environmental performance.

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

**Details:**

1. Environmental policy and procedures
2. Pollutant discharge permit
3. Management interview
4. Worker interview
5. Hazardous waste entrust disposal contract
6. Site tour
7. Energy bills
8. Water bill

**Any other comments:**

Nil

Non-compliance:

|  |   |
|--|---|
| <p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p>None observed</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p> | <p>Objective evidence observed:<br/><i>(where relevant please add photo numbers)</i></p> <p>N/A</p> |
|--|---|

| Observation:  |  |
|---|--|
| <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI/additional elements requirement:</p> <p>Comments:</p> | <p>Objective evidence observed:</p> <p>N/A</p> |

| Good examples observed:                                       |  |
|---|--|
| <p>Description of Good Example (GE):</p> <p>None observed</p> | <p>Objective Evidence Observed:</p> <p>N/A</p> |

Other findings

|   |
|---|
| <b>Other Findings Outside the Scope of the Code</b> |
| None observed                                       |

|   |
|---|
| <b>Community Benefits</b>   |
| <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

General Photo:

|   |                        |                                      |
|---|------------------------|--------------------------------------|
|   |                        |                                      |
| <p>Exterior of the factory</p>                    | <p>Factory address</p> | <p>Sample showroom</p>               |
|   |                        |                                      |
| <p>Incoming warehouse</p>                         | <p>Cutting process</p> | <p>Warning label for iron gloves</p> |
|   |                        |                                      |
| <p>Cutting employees wearing with iron gloves</p> | <p>Sewing area</p>     | <p>Sewing process</p>                |

|                                  |   |                                   |
|----------------------------------|---|-----------------------------------|
|                                  |   |                                   |
| <p>Assembly process</p>          | <p>Packing process</p>                                | <p>Final warehouse</p>            |
|                                  |   |                                   |
| <p>ETI posted on site</p>        | <p>Fire extinguisher</p>                              | <p>Fire extinguisher checking</p> |
|                                  |   |                                   |
| <p>Fire hydrant</p>              | <p>Emergency escape exit</p>                          | <p>Fire alarm system</p>          |
|                                  |   |                                   |
| <p>Emergency escape stairway</p> | <p>Emergency exit sign and<br/>Emergency lighting</p> | <p>Emergency escape plan</p>      |



|   |  |   |
|---|--|---|
|  |  |  |
| <p>Toilet</p>   | <p>First aid kit</p>   | <p>Drinking area</p>  |
|  |  |  |
| <p>Suggestion box</p>   | <p>Forklift</p>  | <p>Attendance checking machine</p>  |

Non-compliance Photo:

|   |  |            |
|---|--|------------|
|  |        | <p>N/A</p> |
| <p>NC 1 - Employees did not use sewing machine needle guards in working time</p>    | <p>NC 2 - Distance between some stacks and the wall was '0' in incoming warehouse area</p> |            |





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

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