




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1085059	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1063954
Business name (Company name):	Dongguan City Tianhua Photoelectric Technology Co., Ltd.		
Site name:	Dongguan City Tianhua Photoelectric Technology Co., Ltd. (东莞市天华光电科技有限公司)		
Site address: <i>(Please include full address)</i>	No. 3, 2nd Road, Jinqianling Industrial Zone, Jitigang Village, Huangjiang Town, Dongguan City, Guangdong Province, China (中国广东省东莞市黄江镇鸡啼岗金钱岭工业区二路3号)	Country:	China
Site contact and job title:	Ms. Xu Julin/ HR Manager		
Site phone:	86-769-38854328	Site e-mail:	HR@tianhualighting.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	16 th December 2019		

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Dongguan City Tianhua Photoelectric Technology Co., Ltd.
--	--

Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Vincent Yuan APSCA number: 21700341

Lead auditor APSCA status: RA

Team auditor: Nil APSCA number: N/A

Interviewers: Vincent Yuan APSCA number: 21700341

Report writer: Vincent Yuan (RA 21700341)

Report reviewer: Kiwi Fu

Date of declaration: 16th December 2019

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	None-observed.
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	5	0	0	1. Lack of exit sign. 2. Lack of emergency light. 3. Only copy of report of construction completion acceptance was provided. 4. Insufficient certificate or report/register for fire protection acceptance was provided. 5. No training records / certificate of management skill for the principal in charge in the facility.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	1. Insufficient social insurance participated.

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	1. Overtime hours exceeded the legal requirement. 2. Total weekly hours exceeded the requirement of client.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A. This was a 2-pillar audit.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A. This was a 2-pillar audit.

General observations and summary of the site:

Site summary

- The products manufactured at this site were lights.
- Overall responsibility for meeting the standards was taken by Ms. Xu Julin/ HR Manager.
- There was a total of 58 employees on site (52 were migrant employees and 6 were local employees, there were 53 permanent employees and 5 contracting workers (security guards)). Migrant employees were mainly from Hunan and Guangxi Province.
- The youngest employee on site was 19 years old.
- There was a worker committee at this facility. One worker representative was present during the audit in the opening meeting, facility tour and closing meeting.
- There was evidence of both male and female in management and among supervisor. The distribution was Male 70%, Female 30%.
- The peak month was not obvious per information from management.

- 10 employees were randomly selected for interview including 6 male employees and 4 female employees, 6 employees were selected for the individual interview and 4 employees in one group were selected for the group interview.
- Payrolls for the period from November 2018 to October 2019 and attendance records for the period from 1st November 2018 to 16th December 2019 were provided for review. Randomly sampled 10 employees' payrolls and attendance records from October 2019 (current month), June 2019 (random month) and March 2019 (random month) for further checking on status of wages and working hours.
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week with at least 1 day off in a week.
- Based on the provided attendance records and payrolls, the facility paid 150% overtime rate to the employee who overtime in the normal working day which was meet the local law requirement. The overtime working was paid correctly.
- Based on the provided attendance records, the status of overtime hours in sample was as below:
 - 48-101 hours/month in October 2019 (current month)
 - 56-112 hours/month in June 2019 (random month)
 - 56-118 hours/month in March 2019 (random month)

Issues Found**NC's****Issues Found****NC's**

3. Safety and Hygienic Conditions

3.1 Lack of exit sign. During facility tour, auditor found that no exit sign was installed over one safety exit on the roof at the dormitory building.

3.2 Lack of emergency light. During facility tour, auditor found that no emergency light was installed at one safety exit on the roof at the dormitory building.

3.3 Only copy of report of construction completion acceptance was provided. During facility tour, auditor found that there were one 3-storey and one 4-storey building. However, the facility only provided the copy of the report of construction completion acceptance of these buildings for review.

3.4 Insufficient certificate or report/register for fire protection acceptance was provided. During facility tour, auditor found that there were one 3-storey and one 4-storey building. However, the facility could not provide the certificate or report/register for fire protection acceptance for the 4/F of one 4-storey building for review.

3.5 No training records / certificate of management skill for the principal in charge in the facility. During document review, auditor found that the facility could not provide the training records / certificate of management skill of the principal in charge for review.

5. Living Wages and Benefits

5.1 Insufficient social insurance participated.

1) Through reviewing social insurance receipt of December 2019, auditor found there were total 53 direct employees and 5 contracting workers (security guards) in the facility, but only 43 direct employees had participated in basic endowment insurance and unemployment insurance; 51 direct employees had participated in basic medical insurance; 47 direct employees had participated in employment injury insurance and maternity insurance. There were 5 contracting workers (security guards) working in the facility, but no social insurance document was provided for review, hence, the social insurance status of 5 contracting workers (security guards) could not be verified.

6. Working hours

6.1 Overtime hours exceeded the legal requirement. Through document review, auditors found that the monthly overtime hours of 10 out of 10 employees were 48-101 hours in October 2019 (current month); the monthly overtime hours of 10 out of 10 employees were 56-112 hours in June 2019 (random month); the monthly overtime hours of 10 out of 10 employees were 56-118 hours in March 2019 (random month).

6.2 Total weekly hours exceeded the requirement of client. Through document review, auditor found that total working hours per week of 3 out of 10 randomly selected employees were 66 hours per week in October 2019 (current month); 66 hours per week in June 2019 (random month); 66 hours per week in March 2019 (random month), which exceeded 60 hours.

Remark:

All those 3 workers were contracting workers (security guards).

Observation:

None observed

GE

None observed

Additional Auditor Remark:

None

**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:	Dongguan City Tianhua Photoelectric Technology Co., Ltd.		
B: Site name:	Dongguan City Tianhua Photoelectric Technology Co., Ltd. (东莞市天华光电科技有限公司)		
C: GPS location: (If available)	<table border="1"> <tr> <td>GPS Address: No. 3, 2nd Road, Jinqianling Industrial Zone, Jitigang Village, Huangjiang Town, Dongguan City, Guangdong Province, China (中国广东省东莞市黄江镇鸡啼岗金钱岭工业区二路3号)</td> <td>Latitude: Not provided Longitude: Not provided</td> </tr> </table>	GPS Address: No. 3, 2nd Road, Jinqianling Industrial Zone, Jitigang Village, Huangjiang Town, Dongguan City, Guangdong Province, China (中国广东省东莞市黄江镇鸡啼岗金钱岭工业区二路3号)	Latitude: Not provided Longitude: Not provided
GPS Address: No. 3, 2nd Road, Jinqianling Industrial Zone, Jitigang Village, Huangjiang Town, Dongguan City, Guangdong Province, China (中国广东省东莞市黄江镇鸡啼岗金钱岭工业区二路3号)	Latitude: Not provided Longitude: Not provided		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	<p>Business License No.: 441900000576956</p> <p>Valid from 23rd June 2009 to long term</p>		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Lights		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Dongguan City Tianhua Photoelectric Technology Co., Ltd. (东莞市天华光电科技有限公司) was located at No. 3, 2nd Road, Jinqianling Industrial Zone, Jitigang Village, Huangjiang Town, Dongguan City, Guangdong Province, China (中国广东省东莞市黄江镇鸡啼岗金钱岭工业区二路3号). The total land area occupied was about 1900 square meters. The facility has operated in the existing location since 2009.</p> <p>A total of 58 employees were working in the facility, which includes 30 production employees and 28 non-production employees. There were 6 local employees. Migrant employees mostly came from other provinces in China such as Hunan and Guangxi. There were 53 permanent employees and 5 contracting workers (security guards).</p> <p>The normal working time was 8 hours per day and 5 days per week.</p> <p>Working hours For all workshop: 8:00-12:00, 13:30-17:30;</p>		

	<p>Employees' wages are calculated on hourly basis and paid no later than end of each month by cash. The peak season not obvious in past year in the facility.</p> <p>With regards to facilities, the facility used one 4-storey production building and one 3-storey dormitory building, 1F of dormitory was used as office; no kitchen and canteen were available for employees.</p>																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Production Building no</th> <th style="width: 45%;">Description</th> <th style="width: 30%;">Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Sample room, warehouse</td> <td>construction date was 1998</td> </tr> <tr> <td>Floor 2</td> <td>Finished goods warehouse</td> <td>construction date was 1998</td> </tr> <tr> <td>Floor 3</td> <td>Assembly and Packing</td> <td>construction date was 1998</td> </tr> <tr> <td>Floor 4</td> <td>Warehouse</td> <td>construction date was 1998</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>N/A</td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	Floor 1	Sample room, warehouse	construction date was 1998	Floor 2	Finished goods warehouse	construction date was 1998	Floor 3	Assembly and Packing	construction date was 1998	Floor 4	Warehouse	construction date was 1998	Is this a shared building?	No	N/A
Production Building no	Description	Remark, if any																		
Floor 1	Sample room, warehouse	construction date was 1998																		
Floor 2	Finished goods warehouse	construction date was 1998																		
Floor 3	Assembly and Packing	construction date was 1998																		
Floor 4	Warehouse	construction date was 1998																		
Is this a shared building?	No	N/A																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Production Building no</th> <th style="width: 45%;">Description</th> <th style="width: 30%;">Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Office</td> <td>construction date was 1998</td> </tr> <tr> <td>Floor 2</td> <td>Dormitory</td> <td>construction date was 1998</td> </tr> <tr> <td>Floor 3</td> <td>Dormitory</td> <td>construction date was 1998</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>N/A</td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	Floor 1	Office	construction date was 1998	Floor 2	Dormitory	construction date was 1998	Floor 3	Dormitory	construction date was 1998	Is this a shared building?	No	N/A			
Production Building no	Description	Remark, if any																		
Floor 1	Office	construction date was 1998																		
Floor 2	Dormitory	construction date was 1998																		
Floor 3	Dormitory	construction date was 1998																		
Is this a shared building?	No	N/A																		
	<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F2: Please give details: N/A</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: The facility provided the copy of the report of construction completion acceptance of both buildings for review.</p>																			
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer																			

	<input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	The peak month was not obvious according to the facility management.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	The main products manufactured by the facility were lights. The main production processes were listed as follows: Assembly, QC and Packing The main machine list of the facility was as following: 3 production lines and etc.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. 60% of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers N/A
N: Were all site-provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A

Audit Parameters			
A: Time in and time out	Day 1 Time in: 10:30 Day 1 Time out: 18:30	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1 man-day (1 auditor in 1 day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Xu Julin/ HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	9 th January 2019		
J: Previous audit type:	Initial audit		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

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

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	4	0	0	28	0	0	0	32
Worker numbers – female	2	0	0	24	0	0	0	26
Total	6	0	0	52	0	0	0	58
Number of Workers interviewed – male	0	0	0	6	0	0	0	6
Number of Workers interviewed – female	0	0	0	4	0	0	0	4
Total – interviewed sample size	0	0	0	10	0	0	0	10



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



Worker Interview Summary	
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <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 employees in 1 group including 3 females and 1 male.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 5 D2: Female: 1
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: N/A
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaint was reported by the interviewees.
I: What did the workers like the most about working at this site?	Wages were always paid on time.
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	Through employees' interview it was confirmed that overtime was voluntary.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers:	

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

Total 10 employees were selected for interview. 6 employees were selected for the individual interview and 4 employees in 1 group were selected for the group interview. Through employees' interviews, all employees were satisfied with the facility's working environment and salary level, no negative information was raised.

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

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

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

O: Attitude of managers:

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

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

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

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

Any other comments:

None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had a policy expressed that the facility would respect the human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: any issue concerning human rights could be raised to the designed responsible person. Name: Ms. Xu Julin Job title: HR Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility did not disclose the reporter's information of and ensure the reporter will not be revenged.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details: The facility has a grievance mechanism meet with UNGP requirement.</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility provided the relevant training of privacy procedures to employees on new employee orientation.</p>

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

--	--

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: ___40___ %	A2: This year ___30___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	7%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2018 0 %	C2: This year: 2019 0 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Work-related injury records was available for review.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2018 Number: 0	F2: This year: 2019 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 2018 0	H2: This year: 2019 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___% workers	I2: 12 months ___0___% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___8.6___% workers	J2: 12 months ___8.6___% workers
---	------------------------------------	-------------------------------------

0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

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

Any other comments:
None

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No any fines/prosecutions.
--	---

<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had established a written policy to prohibit forced labour, child labour, discrimination, harassment & abuse.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>This policy was communicated to employees via training. Through reviewing documents and employees' interview, they stated that no forced labour or child labour case happened, both female and male employees among management staffs and supervisors.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Through document review, auditor found that the facility had provided training on forced labour, child labour, discrimination, harassment and abuse to all employees through orientation training and annual refresh training.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training records including annual refresh training and orientation training were provided to managers and employees. This was also confirmed through management and employee interview.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: N/A</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: The facility had Human Resources department which in charge of the recruitment of employees, assignment of employees' post etc.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Xu Julin/ HR Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	I1: Please give details: All employees' personal files were kept in office. And only the authorized employees access to these document.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' personal files were kept in office. And only the authorized employees access to these document.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility conducted risk assessment regularly to evaluate policy and procedure effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The facility had a documented procedure and assessments that periodic risk checked regularly. And the facility would take correct action when risk was identified.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had a written policy and procedure to evaluate and select suppliers based on their performance and commitment towards labour standards.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The report of construction completion acceptance of these buildings was provided for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The facility had system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A

<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility had compensated the owner for the land prior to the facility being built.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R1: Please give details: No evidence was provided.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: There was no evidence of illegal appropriation of land for facility buildings.</p>

<p style="text-align: center;">Non-compliance:</p>	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <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>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Not applicable</p>

<p style="text-align: center;">Observation:</p>	
<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

- The facility's policy to ensure employment is freely chosen was reviewed. The policy included the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labor; and employees are free to resign after reasonable notice.
- Employment contracts were reviewed and they contained the notice periods.
- Management interview and employee interview

Any other comments:

None

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

	C1: If yes, please give details and category of worker affected: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: N/A
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: Social compliance requirement was communicated to employees through orientation training and annual refresh training.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility communicated the social compliance requirement all suppliers and monitored their performance regularly.

Non-compliance:	
<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>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p><i>(where relevant please add photo numbers)</i></p> <p>Not applicable</p>

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

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

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

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

Details:

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

Any other comments:

None

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

- Union (name):
- Worker Committee
- Other (specify)
- None

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggest boxes or verbal exchange D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The worker committee could use meeting rooms freely.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 8 th January 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: One worker representative	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The latest meeting between union representatives and management was conducted on 20 th November 2019. The topic focused on the employee health and safety issues were discussed.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

<p>If Yes, what percentage by trade Union/worker representation</p>	<p>M1: ____% workers covered by Union CBA N/A. No Collective Bargaining Agreement existed in this facility.</p>	<p>M2: ____% workers covered by worker rep CBA N/A. No Collective Bargaining Agreement existed in this facility.</p>
<p>M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement existed in this facility.</p>	

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

<p style="text-align: center;">Observation:</p>	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective evidence observed: Not applicable</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - Ms. Xu Julin/ HR Manager was responsible for the Health & Safety management in the facility.
 - Potable water was freely available in all areas.
 - Sufficient clean toilets segregated by gender were available at all times to employees.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Only copy of the report of construction completion acceptance and fire license of building was provided for review.
 - The training records / certificate of safety production knowledge and management skill for the persons for the management of work safety were provided for review.
2. Fire Safety
 - There were at least 2 exits from each work area.
 - Firefighting equipment was adequate and the checks were up-to-date.
 - Evacuation plans were posted in all areas and understood by all employees interviewed
 - Fire drills were conducted twice per year.
 - Fire training was provided to all employees.
 - Fire alarm, fire hydrant and fire extinguishers were installed at each floor of the production building.
 - All fire exits were unlocked during work time.
3. Electrical safety
 - All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
 - Valid electrician license was provided for review.
4. Medical services
 - There were adequate first aid kits in each production area and they were well stocked.
 - There were sufficient first aid personnel in this facility.
5. Machine safety

- All machines had protective devices.

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

Details:

- Health and safety policy
- Training records
- Only copy of the report of construction completion acceptance for buildings
- Fire equipment maintenance records
- Fire drill records
- Trained first aider register
- Interviews with person in charge of health & safety
- Employee interview and management interview
- Facility tour

Any other comments:

None.

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility established health and safety policies and procedures, and the policies and procedures were communicated to employees through training.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The health and safety policies were included in the worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: N/A. No structural addition was found during this audit.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility would introduce the Health & Safety policy to visitor and provided with personal protective equipment if necessary.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room was provided as no such legal requirement was required.</p>

F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No doctor or nurse was available on site, but first aiders were available.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The facility did not provide transportation to employees.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility provided the personal lockers to employees in dormitory.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility conducted H&S risk assessments regularly and the records were provided to review.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Environmental documents for completed construction project were provided for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details: No such chemical was used by this facility.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Lack of exit sign. During facility tour, auditor found that no exit sign was installed over one safety exit on the roof at the dormitory building.</p> <p>Remark: The facility had installed valid exit sign over that exit before the end of the audit.</p> <p>Local law and/or ETI requirement Local law: In accordance with the Code of Design on Building Fire Protection and Prevention GB50016-2014 Article 10.3.5, Lamplit Evacuation Indication Signs shall be installed at the public building, residential building of which the building height more than 54m, high-rise factory building (warehouse), and single layer or multilayer factory building of Category A, B or C. The setting shall conform to the following requirements: 1. It shall be installed right above the safety exit and</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>1. Facility tour (Please refer to the photo of NC01)</p>

evacuation door of assembly occupancies; 2. It shall be installed on the wall surface, at a height less than 1.0m to the floor, or on the floor surface, of evacuation passages and its corners. The interval between Lamplit Evacuation Indication Signs shall not more than 20m; the interval in passages in curve shall not more than 10m; the interval in the area of corners in the passages shall not more than 1.0m.

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.

Recommended corrective action:

It is recommended that exit signs should be installed over the safety exits.

2. Description of non-compliance:

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

Lack of emergency light. During facility tour, auditor found that no emergency light was installed at one safety exit on the roof at the dormitory building.

Remark:

The facility had installed valid emergency light over that exit before the end of the audit.

Local law and/or ETI requirement

Local law: In accordance with Code of Design on Building Fire Protection and Prevention (GB50016-2014) article 10.3.1, Emergency lighting shall be installed in the following places at civil buildings, factory buildings and warehouses of Category C, except for residential buildings at a height less than 27m: 1. Enclosed staircases, smoke-proof staircases and their anterooms, and anterooms or shared anterooms of fire elevators, emergency passageway, refuge storey (room); 2. Assembly occupancies such as auditorium, exhibition hall, multi-functional hall, and business hall, dining hall, teletorium with a building area more than 200m²; 3. Underground and semi-underground public places with building area more than 100m²; 4. Evacuation passages at public buildings; 5. Workplaces and evacuation passages at densely populated factory buildings.

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.

Recommended corrective action:

It is recommended that the facility should ensure emergency light installed at the above area as per legal requirement.

3. Description of non-compliance:

2. Facility tour
(Please refer to the photo of NC01)

3. Facility tour,
document review

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

and management interview

Only copy of report of construction completion acceptance was provided. During facility tour, auditor found that there were one 3-storey and one 4-storey building. However, the facility only provided the copy of the report of construction completion acceptance of these buildings for review.

Local law and/or ETI requirement

Local law: In accordance with the PRC Construction Law Article 61, a construction project handed over for acceptance checks for completion must conform to the prescribed construction project quality standards, be provided with complete project technical and economic data and signed project warranty, and be provided with other qualified conditions for completion as prescribed by the state. A construction project may only be handed over for use upon passing the acceptance checks for completion; no construction project shall be handed over for use without going through the acceptance checks for completion or passing the acceptance checks for completion.

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.

Recommended corrective action:

It is recommended that the facility should provide the original copy of the report of construction completion acceptance of all building as per legal requirement.

4. Description of non-compliance:

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

4. Facility tour, document review and management interview

Insufficient certificate or report/register for fire protection acceptance was provided. During facility tour, auditor found that there were one 3-storey and one 4-storey building. However, the facility could not provide the certificate or report/register for fire protection acceptance for the 4/F of one 4-storey building for review.

Local law and/or ETI requirement

Local law: In accordance with PRC Fire Prevention Law article 11, For the special construction projects stipulated by the competent department of housing and urban-rural construction under the State Council, the construction entity shall submit the documents of fire protection design to the competent departments of housing and urban-rural construction for review, and the competent departments of housing and urban-rural construction shall be responsible for the results of the review according to law. For construction projects other than those specified in the preceding paragraph, the construction entity shall provide fire protection design drawings and technical materials that meet the construction needs when applying for a construction permit or approval of the commencement report. Article 13, When the construction projects which shall be applied for fire protection acceptance stipulated by competent department of housing and urban-rural construction under the State Council

were completed, the construction entity shall apply for fire inspection and acceptance from the competent department of housing and urban-rural construction. For construction projects other than those specified in the preceding paragraph, the construction entity shall report to the competent department of housing and urban-rural construction for record after fire protection acceptance, and the competent department of housing and urban-rural construction shall conduct random inspections. The construction projects that are subject to fire protection acceptance according to law, shall not be put into use without going through the inspection or passing the inspection. Other construction projects that failed to pass the sample inspection according to law shall be stopped in use.

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.

Recommended corrective action:

It is recommended that the facility should obtain relevant certificate or report/register for fire protection acceptance as per legal requirement.

5. Description of non-compliance:

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

No training records / certificate of management skill for the principal in charge in the facility. During document review, auditor found that the facility could not provide the training records / certificate of management skill of the principal in charge for review.

Local law and/or ETI requirement

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.

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

Recommended corrective action:

It is recommended that the facility should ensure the principal in charge obtain relevant training records / certificates according to legal requirements.

5. Document review and management interview

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

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

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

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

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	19 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

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

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

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- All employees were provided with the written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- The local minimum wage standard was set at RMB 1720 per month as equivalent to RMB 9.89 (1720/21.75/8) per hour since 1st July 2018. Based on the payroll records provided by the facility, the basic wage was set at RMB 9.89 per hour.
- Employees received 150% and 200% of normal rate for the overtime on regular days and rest days respectively, and no overtime work was reported on holidays.
- Insufficient social insurance was provided for employees.
- Annual leave and maternity leave were provided to employees as per legal requirements.
- All employees were paid on or before the 30th day of each month, all wages were paid by cash, and each employee was given a pay slip and signed for their wages.

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

Details:

- Wages and benefits policy
- Local legal minimum wage standard documents
- Social insurance payment invoices
- Labour contracts
- Leave records
- Resignation records
- Employees' interview
- Payroll records from November 2018 to October 2019 and attendance records from 1st November 2018 to 16th December 2019 were reviewed.
- Production records reviewed (daily production records, warehouse in and out records, QC records, etc. from 1st November 2018 to 16th December 2019).
- Employee interview and management interview

- Facility tour

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

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

Insufficient social insurance participated.

1) Through reviewing social insurance receipt of December 2019, auditor found there were total 53 direct employees and 5 contracting workers (security guards) in the facility, but only 43 direct employees had participated in basic endowment insurance and unemployment insurance; 51 direct employees had participated in basic medical insurance; 47 direct employees had participated in employment injury insurance and maternity insurance.
 2) There were 5 contracting workers (security guards) working in the facility, but no social insurance document was provided for review, hence, the social insurance status of 5 contracting workers (security guards) could not be verified.

Local law and/or ETI requirement:

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

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

Recommended corrective action: It is recommended that the facility should communicate with employees to expand the social insurance coverage.

Objective evidence observed:

1. Document review, management interview and employee interview

Observation:

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

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal minimum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal minimum: Not exceed 3 hours per day and 36 hours per month	B1: Maximum daily overtime hours: For direct employees: 2 hours in October 2019 (current month); 2 hours in June 2019 (random month); 2 hours in March 2019 (random month); For contracting workers (security guards):	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.

		<p>3 hours in October 2019 (current month); 3 hours in June 2019 (random month); 3 hours in March 2019 (random month);</p> <p>Maximum weekly overtime hours:</p> <p>For direct employees: 12 hours in October 2019 (current month); 12 hours in June 2019 (random month); 12 hours in March 2019 (random month);</p> <p>For contracting workers (security guards): 26 hours in October 2019 (current month); 26 hours in June 2019 (random month); 26 hours in March 2019 (random month);</p> <p>Maximum monthly overtime hours:</p> <p>For direct employees: 48 hours in October 2019 (current month); 56 hours in June 2019 (random month); 56 hours in March 2019 (random month);</p> <p>For contracting workers (security guards): 101 hours in October 2019 (current month); 112 hours in June 2019 (random month); 118 hours in March 2019 (random month);</p>	
<p>C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: The local minimum wage standard was set at RMB 1720 per</p>	<p>C1: RMB 9.89 per hour</p>	<p>C2: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>

	month equivalent to RMB 9.89 (1720 /21.75/8) per hour since 1st July 2018.		N/A. No Collective Bargaining Agreement in the facility.
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: The employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: to pay no less than 150% of the normal wages if the extension of working hours is arranged; to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; To pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.	D1: Based on the payroll records provided by the facility, minimum overtime wage was paid: 1) 150% of the normal wages if the extended hours are arranged on weekdays; 2) 200% of the normal wages for work on days of rest days; 3) No overtime work was reported on holiday.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in the facility.

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and</i>	10 samples in October 2019 (current month) 10 samples in June 2019 (random month) 10 samples in March 2019 (random month)

random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)			
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details: N/A	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	D1: If No , please give details: N/A	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 9.89 per hour	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: _100___% of workforce earning minimum wage F3: ___% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Job allowance, service age award and full attendance bonus: RMB 330-1950 per month		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and personal tax		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. 300.37 Please describe: Social insurance
		I2: Please list all deductions that have not been made.	1. Personal tax Please describe: Personal tax were paid by the facility.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type N/A <input type="checkbox"/> Poor record keeping	

		<input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>L1: Please give details: No incomplete or inconsistent record was noted.</p>	
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>M1: Please specify amount/time: N/A</p>	
<p>M2: If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <p>Other – please give details: N/A</p>	
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>N1: Please give details: The facility conducted assessment at least once per year. Based on the provided payroll records, the normal wage paid by the facility was in accordance with the local minimum wage requirement.</p>	
<p>O: Are workers paid in a timely manner in line with local law?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>P1: Please give details: Through facility rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work.</p>	
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other <p>Q1: If other, please explain: N/A</p>	

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:

- Overtime was voluntary through employees' interview.
- Finger print attendance system was used for direct employees and contracting workers for time keeping.
- The normal working hours were 8 hours per day and 40 hours per week.
- The peak season was not obvious in the facility per the management.
- According to provided attendance records, the maximum overtime hour was 56 hours a month for the direct employees, 118 hours a month for the contracting workers (security guards), 2 hour a day for the direct employees, 3 hours a day for the contracting workers (security guards); the maximum weekly working hours was 52 hours a week for the direct employees and 66 hours a week for the contracting workers (security guards). All employed employees had one day off per week.

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

Details:

- Working hours policy/procedure
- Employees contracts
- Attendance records from 1st November 2018 to 16th December 2019.
- Production records such as daily production records, warehouse in and out records, QC records, etc. from 1st November 2018 to 16th December 2019 were review.
- Training records
- Employees' interview and management interview
- Facility tour

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

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

Overtime hours exceeded the legal requirement. Through document review, auditors found that the monthly overtime hours of 10 out of 10 employees were 48-101 hours in October 2019 (current month); the monthly overtime hours of 10 out of 10 employees were 56-112 hours in June 2019 (random month); the monthly overtime hours of 10 out of 10 employees were 56-118 hours in March 2019 (random month).

Local law and/or ETI requirement:

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

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

Recommended corrective action:

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

2. Description of non-compliance:

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

Objective evidence observed:

1. Attendance records review, management interview and employees interview

2. Attendance records review,

<p>Total weekly hours exceeded the requirement of client. Through document review, auditor found that total working hours per week of 3 out of 10 randomly selected employees were 66 hours per week in October 2019 (current month); 66 hours per week in June 2019 (random month); 66 hours per week in March 2019 (random month), which exceeded 60 hours.</p> <p>Remark: All those 3 workers were contracting workers (security guards).</p> <p>Local law and/or ETI requirement: Local law: No local law required.</p> <p>ETI 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below. 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.</p> <p>Recommended corrective action: It is recommended that the facility should reduce working hours to ensure comply with the requirement of client.</p>	<p>management interview and employees interview</p>
---	---

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

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

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: Finger print attendance system				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details N/A				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		N/A			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		Maximum number of days worked without a day off (in sample):			

	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes	G1: If yes, % of workers & frequency:
	<input checked="" type="checkbox"/> No	N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes	H1: If yes, please give details:
	<input checked="" type="checkbox"/> No	N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	<p>Highest OT hours:</p> <p>Maximum daily overtime hours:</p> <p>For direct employees: 2 hours in October 2019 (current month); 2 hours in June 2019 (random month); 2 hours in March 2019 (random month);</p> <p>For contracting workers (security guards): 3 hours in October 2019 (current month); 3 hours in June 2019 (random month); 3 hours in March 2019 (random month);</p> <p>Maximum weekly overtime hours:</p> <p>For direct employees: 12 hours in October 2019 (current month); 12 hours in June 2019 (random month); 12 hours in March 2019 (random month);</p> <p>For contracting workers (security guards): 26 hours in October 2019 (current month); 26 hours in June 2019 (random month); 26 hours in March 2019 (random month);</p> <p>Maximum monthly overtime hours:</p> <p>For direct employees: 48 hours in October 2019 (current month); 56 hours in June 2019 (random month); 56 hours in March 2019 (random month);</p> <p>For contracting workers (security guards):</p>	

	101 hours in October 2019 (current month); 112 hours in June 2019 (random month); 118 hours in March 2019 (random month);	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__33.3__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Through employees' interview, all randomly selected employees stated that they worked overtime on their wills. And they could refuse to work overtime if they did not want to. Through document review, it was noted that the facility did not use monetary penalties as disciplinary means.</i>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<i>M1: Please give details of normal day overtime premium as a % of standard wages: The facility paid 150% and 200% of the normal wages for the extension of working hours on weekdays and overtime work on rest days respectively. No overtime hours on holidays were reported.</i>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>N1: If yes, please describe % of workers & frequency: 100% employees were paid legal premium rate monthly.</i>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	

<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <p>N/A. The total hours per week was within 60 hours.</p> <hr/> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <hr/> <p>Maximum weekly overtime hours:</p> <p>For direct employees: 12 hours in October 2019 (current month); 12 hours in June 2019 (random month); 12 hours in March 2019 (random month);</p> <p>For contracting workers (security guards): 26 hours in October 2019 (current month); 26 hours in June 2019 (random month); 26 hours in March 2019 (random month);</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Q1: If yes, please give details: Overtime hours exceeded the legal requirement.</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N/A. There was no such circumstance through management interview.</p>

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

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

Any other comments: None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>70</u> % A2: Female <u>30</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	No such role in the facility.
C: Is there any evidence of discrimination based on race, caste,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation

national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: N/A
---	--

Professional Development

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

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

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

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

<p>Comments:</p> <p>Not applicable</p>	
---	--

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility had signed labour contracts with all employees of the audited facility within one month when they were recruited, and the probationary period was in compliance with the requirements of local law.
- There were 53 permanent employees and 5 contracting workers (security guards). No temporary employee, apprenticeship schemes or home employee was identified by the auditor.

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

Details:

- Personnel files of all employees were provided for review and they all include a copy of employee's contract.
- The facility rule indicated that every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- Management interview and employee interview

Any other comments:

None

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

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

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

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p>

understand them and are they same as current conditions?	A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected: N/A
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All types of work in the facility include migrant workers.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: N/A B2: Total number of (outside of local country) recruitment agencies used: N/A
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C2: Observations: N/A

is evidence of the transaction supplied by the facility to the worker?	C1: Please describe finding: N/A	
<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: If yes, number and example of roles: All types of work (including management) in the facility include migrant employees. Such as the warehouse supervisor, packing supervisor were migrant employees.</p>	

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)

A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A D1: Please give details: N/A. No labour agency was used.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A E1: Please give details: N/A. No labour agency was used.

Contractors:	
<p><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></p>	
A: Any contractors on site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: If Y, how many contractors are present: There were 5 contracting workers (security guards) from Guang Dong Zhong Bao Wei An Security Guard Service Co., Ltd.
B: If Yes , how many workers supplied by contractors?	5 contracting workers (security guards)
C: Do all contractor workers understand their terms of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: All contracting workers (security guards) understand their terms of employment.
D: If Yes , please give evidence for contractor workers being paid per law:	All contracting workers (security guards) were paid by the contracting company, RMB 1720 / month, RMB 9.89 / hour paid is complied with law.

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.
- All processes were finished within the facility.
- No sub-contracting or home-working was used by this facility.

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

- Policy on sub-contracting
- Reviewing of the production records such as materials in/out records.
- Facility tour (Calculation on total production and estimated capacity)
- Management interview and employee interview

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

Not applicable. No sub-contracting was used by the facility.

Details: No process subcontractor used by this facility.

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

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

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

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

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

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x
--

A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility provided a grievance mechanism to employees (such as worker representatives and suggestion box) to report any violations of Labour standards and H&S or any other grievances. And the reporter would be confidential for all reporters.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Through employees' interview, all randomly selected employees stated that they were aware of this channel.</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>Worker representatives and suggestion box</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Use anonymous to report any issues through the grievance mechanism without any punishment or vengeance.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A</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 <input type="checkbox"/> No F1: If no, please give details N/A</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details N/A</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 <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details N/A</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:

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

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

Details:

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

Any other comments: Nil

Non-compliance:

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

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

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

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:

Per document review, facility management representation and employee interview, all employees in the facility were Chinese, there were 6 local employees and 52 were migrant employees from Hunan and Guangxi province and etc. All employees had the proper legal rights to work in this region. The youngest age was 19 years old. There were 53 permanent employees and 5 contracting workers (security guards). No agency staff or foreign employee was used by the facility.

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

Details:

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

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)
 Not applicable

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

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

- The facility had written environmental policy.
- The facility conducted regular environment protection trainings for all employees.
- Environmental impact assessment report, environmental impact assessment approval, environmental protection acceptance checks report for completed construction project and testing report for pollutants were kept and provided for review.
- Ms. Xu Julin/ HR Manager was appointed responsibility for environmental issues.

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

Details:

- The environmental policy
- Training records on environmental protection
- Energy bills
- Water bill
- Facility tour
- Management interview and employee interviews

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

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

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

Other findings

Other Findings Outside the Scope of the Code
None-observed.


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

Photo Form

Best Practice Photos:




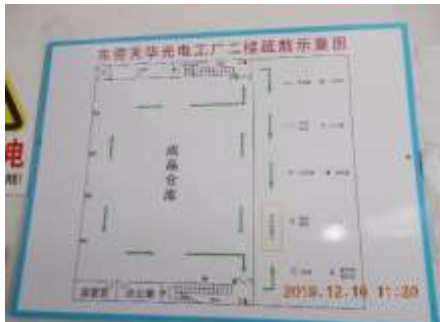




None observed	None observed	None observed
N/A	N/A	N/A

Non Compliance Photos:

	None observed	None observed
<p>NC 01: Lack of exit sign and emergency light for 1 exit on the roof at the dormitory building Remark: The facility had installed valid exit sign and emergency light over that exit before the end of the audit</p>	N/A	N/A

General site photo:

		
Facility name	Facility gate	Production building

		
<p>Finished goods warehouse</p>	<p>Material warehouse</p>	<p>Assembly and packing</p>
		
<p>Evacuation plan</p>	<p>Fire hydrant and fire alarm</p>	<p>Fire extinguishers</p>
		
<p>Emergency exit sign and emergency light</p>	<p>Electricity box</p>	<p>Drinking water</p>
		
<p>Toilet</p>	<p>Attendance recorder</p>	<p>First aid kit</p>

<p>Suggestion box</p>	<p>Evacuation direction sign</p>	<p>Anti-explosive light</p>
<p>MSDS</p>	<p>Eye washing station</p>	<p>Cargo lift</p>
<p>Dormitory building</p>	<p>Bedroom</p>	<p>Locker in bedroom</p>

DISCLAIMER:

"This report is for the exclusive use of the client of Intertek named in this report ("Client") and is provided pursuant to an agreement for services between Intertek and Client ("Client Agreement"). This report provides a summary of the findings and other applicable information found/gathered during the audit conducted at the specified facilities on the specified date only. Therefore, this report does not cover, and Intertek accepts no responsibility for, other locations that may be used in the supply chain of the relevant product or service. Further, as the audit process used by Intertek is a sampling exercise only, Intertek accepts no responsibility for any non-compliant issues that may be revealed relating to the operations of the identified facility at any other date. Intertek's responsibility and liability are also limited in accordance to the terms and conditions of the Client Agreement. Intertek assumes no liability to any party, for any loss, expense or damage occasioned by the use of this information other than to the Client and in accordance with the Client Agreement and these disclaimers. The disclaimer should be read in conjunction with the Terms and Conditions of Intertek."



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

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

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

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

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

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

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

<https://www.surveymonkey.co.uk/r/BRTVCKP>