SMETA

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC: 413254755	Sedex Site Reference: *(only available on Sedex System)*	ZS: 413447202
Business name (Company name):	Suzhou Highbright Store Fixture Co., Ltd		
Site name:	Suzhou Highbright Store Fixture Co., Ltd 苏州凌晔展示设备有限公司		
Site address: *(Please include full address)*	Fengnan Road, Fenghuang Town, Zhangjiagang City 张家港市凤凰镇凤南路	Country:	China
Site contact and job title:	Mr. Ling Jian/ General Manager		
Site phone:	0512-58911917	Site e–mail:	2850920671@qq.com

SMETA Audit Pillars:	☒ Labour Standards	☒ Health & Safety (plus Environment 2-Pillar)	☐ Environment 4-pillar	☐ Business Ethics
Date of Audit:	29 January 2021			

Audit Company Name & Logo: **Benchmarks Co., Ltd.** **(APSCA Audit Firm No.: 11600027)**	**Report Owner (payee):** *(If paid for by the customer of the site please remove for Sedex upload)* Suzhou Highbright Store Fixture Co., Ltd

Audit Conducted By					
Affiliate Audit Company	☒	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi–stakeholder	☐	Combined Audit (select all that apply)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Auditor Team (s) (please list all including all interviewers):
Lead auditor: Ms. Cathy Ao APSCA number: RA21700179
Lead auditor APSCA status: in good standing
Team auditor: nil. APSCA number: nil.
Interviewers: Ms. Cathy Ao APSCA number: RA21700179

Report writer: Ms. Cathy Ao
Report reviewer: Mr. Elton Chau

Date of declaration: 29 January 2021
Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

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

Summary of Findings

Issue *(please click on the issue title to go direct to the appropriate audit results by clause)* ***Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.***		**Area of Non–Conformity** *(Only check box when there is a non–conformity, and only in the box/es where the non–conformity can be found)*				**Record the number of issues by line*:**			**Findings** ***(note to auditor, summarise in as few words as possible NCs, Obs and GE)***
		ETI Base Code	**Local Law**	**Additional Elements**	**Customer Code**	**NC**	**Obs**	**GE**	
0A	Universal Rights covering UNGP			☐	☐	0	0	0	Nil.
0B	Management systems and code implementation		☐	☐	☐	0	0	0	Nil.
1.	Freely chosen Employment	☐	☐		☐	0	0	0	Nil.
2	Freedom of Association	☐	☐		☐	0	0	0	Nil.
3	Safety and Hygienic Conditions	☒	☒		☐	2	0	0	NC: - Earplugs were not used. - The hook of the crane was lack of anti-drop device.
4	Child Labour	☐	☐		☐	0	0	0	Nil.
5	Living Wages and Benefits	☒	☒		☐	1	0	0	NC: - Insufficient social insurances participated.
6	Working Hours	☒	☒		☐	1	0	0	NC:

									- Monthly overtime exceeded legal limit (e.g. 36 hrs a month)
7	Discrimination	☐	☐		☐	0	0	0	Nil.
8	Regular Employment	☐	☐	☐	☐	0	0	0	Nil.
8A	Sub–Contracting and Homeworking		☐	☐	☐	0	0	0	Nil.
9	Harsh or Inhumane Treatment	☐	☐	☐	☐	0	0	0	Nil.
10A	Entitlement to Work		☐	☐	☐	0	0	0	Nil.
10B2	Environment 2-Pillar		☐	☐	☐	0	0	0	Nil.
10B4	Environment 4–Pillar		☐	☐	☐	N/A	N/A	N/A	N/A
10C	Business Ethics		☐	☐	☐	N/A	N/A	N/A	N/A

General observations and summary of the site:

i. The product manufactured at this site was fixture.
ii. Overall responsibility for meeting the standards was taken by Ms. Xia Ting/ HR Manager.
iii. There was a total of 77 employees on site, including 6 management staffs and 71 production workers. 32 migrant employees and 45 local employees, all were permanent. Migrant employees were mainly from Sichuan, Anhui, etc.
iv. The youngest worker on site was 21-year-old.
v. There was no union in the facility.
vi. The worker representative was attended the opening and closing meeting.
vii. The peak season in this factory was not obvious.

viii. The factory used 1sub-contract supplier for plating.
ix. 10 employees were selected for interview including 8 males and 2 female employees; they were interviewed as 1 group of 4 and the balance of 6 workers were interviewed individually.
x. 10 records were picked to show attendance records from 1 January 2020 to 29 January 2021 were provided for review. And 10 records were picked to verify wages were taken for 12 months from period January 2020- December 2020.
xi. Legal minimum wage was paid; the local legal minimum wage was RMB 2020 per month (approximately 11.61 per hour) from 1 August 2018.
xii. Correct OT wage was paid, workers were paid 150% of the normal wages if the extension of working hours were arranged; workers were paid 200% of the normal wages if the extended working hours were arranged on days of rest; workers were paid 300% of the normal wages if the extended working hours were arranged on statutory holidays.
xiii. Overtime sample hours in sample were:
58 hours/month in March 2020 (random month)
62 hours/month in June 2020 (random month)
66 hours/month in December 2020(the most recent month)

**Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

Site Details

<table>
<tr><th colspan="3">Site Details</th></tr>
<tr><td>A: Company Name:</td><td colspan="2">Suzhou Highbright Store Fixture Co., Ltd</td></tr>
<tr><td>B: Site name:</td><td colspan="2">Suzhou Highbright Store Fixture Co., Ltd
苏州凌晔展示设备有限公司</td></tr>
<tr><td>C: GPS location:
(If available)</td><td>GPS Address:</td><td>Latitude: N 31°44'56''
Longitude: E 120°37'33''</td></tr>
<tr><td>D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections</td><td colspan="2">Business license number: 91320582083190339X
Valid from 20 November 2013 to long term.</td></tr>
<tr><td>E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc</td><td colspan="2">Fixture</td></tr>
<tr><td>F: Site description:
(Include size, location, and age of site. Also, include structure and number of buildings)</td><td colspan="2">Suzhou Highbright Store Fixture Co., Ltd was located at Fengnan Road, Fenghuang Town, Zhangjiagang City, the address plate was No. 111 Fengnan Road. There were several buildings in the fenced area, the factory rented the second floor of the office building and another 4 one-storey buildings as production building from Zhangjiagang Tianjv Metal Products Co., Ltd, valid from 23 October 2018 to 22 October 2026, approx. 15000 sq. meters.

There was a total of 77 employees on site, including 6 management staffs and 71 production workers. 32 migrant employees and 45 local employees, all were permanent. Migrant employees were mainly from Sichuan, Anhui, etc. The youngest worker on site was 21-year-old.

Electrical time recording system was used for time recording. As per the time records of employees, they swiped IC card when they went in and out the factory. The normal working hour was from 07:30-17:00 with 1.5 hour for lunch time from 11:00-12:30. OT was from 18:00-20:00 if necessary. Employees' wages were paid on the hourly rate as local requirements. Workers were paid by cash within the end of the following month.

<table>
<tr><td>Office building</td><td>Description</td><td>Remark, if any</td></tr>
<tr><td>Floor 1</td><td>Not used by the factory</td><td>Nil</td></tr>
<tr><td>Floor 2</td><td>Office</td><td>Nil</td></tr>
<tr><td>Is this a shared building?</td><td>Yes</td><td>Nil</td></tr>
</table>
</td></tr>
</table>

Production building 1	Description	Remark, if any
Floor 1	Assembling section	Nil
Is this a shared building?	No	Nil

Production building 2	Description	Remark, if any
Floor 1	Punching & welding section	Nil
Is this a shared building?	No	Nil

Production building 3	Description	Remark, if any
Floor 1	Wire drawing section	Nil
Is this a shared building?	No	Nil

Production building 4	Description	Remark, if any
Floor 1	Warehouse	Nil
Is this a shared building?	No	Nil

For below, please add any extra rows if appropriate.

F1: Visible structural integrity issues (large cracks) observed?
☐ Yes
☒ No
F2: Please give details: there was no visible structural integrity issues, such as large cracks were observed.

F3: Does the site have a structural engineer evaluation?
☐ Yes
☒ No

F4: Please give details: the production buildings were built before 1998, and the landlord invited the fire brigade to conduct fire inspection and acceptance in 2004.

G: Site function:	☐ Agent ☒ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack House

	☐ Primary Producer ☐ Service Provider ☐ Sub–Contractor
H: Month(s) of peak season: (if applicable)	Not obvious.
I: Process overview: *(Include products being produced, main operations, number of production lines, main equipment used)*	The main product produced at this factory was fixture. The main production processes included wire drawing, welding, punching, bending, paint spraying, etc. The main machines used by this factory were 22 punching machines, 16 bending machines, 32 welding machines, 1 line of paint spraying, etc.
J: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify) ☐ None
K: Is there any night production work at the site?	☐ Yes ☒ No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	☐ Yes ☒ No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	☐ Yes ☒ No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	☐ Yes ☐ No N/A. N1: If no, please give details

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 8:50 A2: Day 1 Time out: 16:50	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1 auditor in 1 MD.		
C: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow–up ☐ Partial Follow–Up ☐ Partial Other If other, please define:		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☒ Yes ☐ No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR *(Name and job title)*	Mr. Ling Jian/ General Manager		
H: Is further information available *(If yes, please contact audit company for details)*	☐ Yes ☒ No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	☐ Yes ☐ No ☒ N/A		

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

A: Present at the opening meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
C: Present at the closing meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
D: If Worker Representatives were not present please explain reasons why *(only complete if no worker reps present)*	N/A		
E: If Union Representatives were not present please explain reasons why: *(only complete if no union reps present)*	There was no union in this factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	32	0	0	25	0	0	0	57
Worker numbers – female	7	0	0	7	0	0	0	14
Total	39	0	0	32	0	0	0	71
Number of Workers interviewed – male	5	0	0	3	0	0	0	8
Number of Workers interviewed – female	1	0	0	1	0	0	0	2
Total – interviewed sample size	6	0	0	4	0	0	0	10

A: Nationality of Management	Chinese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. *Please add more nationalities as applicable to site. Add more rows if required.*	Nationalities: B1: Nationality 1: ____ Chinese ____ B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? ☐ Yes ☒ No If no, please describe how this may vary during peak periods: the peak season in this factory was not obvious.
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 ___100%_____ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration *(management information)*	D: ____0___% workers on piece rate D1: ___100____% hourly paid workers D2: ___0____% salaried workers Payment cycle: D3: ___0____% daily paid D4: ___0____% weekly paid D5: __100_____% monthly paid D6: ___0____% other D7: If other, please give details	

Worker Interview Summary		
A: Were workers aware of the audit?	☒ Yes ☐ No	
B: Were workers aware of the code?	☒ Yes ☐ No	
C: Number of group interviews: *(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)*	1 group of 4	
D: Number of individual interviews *(Please see SMETA Best Practice Guidance and Measurement Criteria)*	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. *Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment*	☒ Yes ☐ No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☒ Yes ☐ No	
G: In general, what was the attitude of the workers towards their workplace?	☒ Favourable ☐ Non–favourable ☐ Indifferent	
H: What was the most common worker complaint?	No complaint was raised during the whole audit process, workers were satisfied with the current working environment and wages. They said managements were kind to them, reasonable requests were answered.	
I: What did the workers like the most about working at this site?	Per workers' interview, workers said that the managements were kind to them, and this year they moved to the new site, the working space the larger.	
J: Any additional comment(s) regarding interviews:	Nil.	
K: Attitude of workers to hours worked:	Per 10 randomly selected workers, they said overtime working was voluntary, they were free to choose OT or not.	
L. Is there any worker survey information available?		

☐ Yes ☒ No L1: If yes, please give details:
M: Attitude of workers: *(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*
10 workers were selected for interview including 8 males and 2 female employees; they were interviewed as 1 group of 4 and the balance of 6 workers were interviewed individually. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory.
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*
All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working environment to their worker representative who would take it to the worker management committee.
O: Attitude of managers: *(Include attitude to audit, and audit process. Both positive and negative information should be included)*
The facility management showed a positive attitude to this audit during the whole process. At the end of the audit, all findings were accepted by the management.

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:
i. The facility had its grievance mechanism for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
ii. Ms. Xia Ting/ HR Manager was responsible for implementing standards concerning Human rights.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
i. Factory had its grievance mechanism for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
ii. Per employees' interview, they were free to communicate any issues to their management in many ways.
iii. Human rights statement documents.
iv. Ms. Xia Ting/ HR Manager was responsible for implementing standards concerning Human rights.
Any other comments: nil.

A: Policy statement that expresses commitment to respect human rights?	☒ Yes ☐ No A1: Please give details (mainly applicable for the parent company): factory had its human rights policy, and regularly trained workers on human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	☒ Yes ☐ No Please give details: Name: Ms. Xia Ting Job title: HR Manager
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?	☒ Yes ☐ No C1: Please give details: Suggestion box, phone.
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)	☒ Yes ☐ No D1: If no, please give details:
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☒ Yes ☐ No E1: Please give details: All employee information and personnel files were kept locked away in the human resources office and only viewed by the HR manager and his team.

Findings	
Finding: Observation ☐ **Company NC** ☐ **Description of observation:** None observed. **Local law or ETI/Additional elements / customer specific requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

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

None observed.	N/A

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: __20___ %	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 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	15%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __5___ %	C2: This year __7___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	4%	
E: Are accidents recorded?	☒ Yes ☐ No E1: Please describe: the accident records were recorded, and no accident was happened for the last 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total worke rs]	F1: Last year: 2019 Number: 0	F2: This year: 2020 Number:0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ____0___% workers	I2: 12 months ____0____% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ____0___% workers	J2: 12 months ____0____% workers

0B: Management system and Code Implementation

(Click here to return to summary of findings)

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

Current Systems and Evidence Examined

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

Current systems:

i. Factory had established social responsibility system, and they conducted internal social responsibility audit and management review regularly.
ii. Responsibility for meeting the legal and client code requirements was shared between the Personnel Manager and the Health & Safety Manager. Together they were responsible to the factory manager for ensuring the standards were met.
iii. Through the management interview, the factory implemented and maintained systems for delivering compliance to this code.

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

Details:

i. The facility communicated this code to its own suppliers which was confirmed through document review.
ii. Per workers' interview, the 10 randomly selected employees were known about the ETI Code, they said the managements had trained them on ETI Code, the management showed a positive attitude on social responsibility matters.
iii. Ms. Xia Ting/ HR Manager was responsible for compliance with the Code.

Any other comments: nil.

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☒ No A1: Please give details: No such record was noted in any public information channel. And this was confirmed through employee and management interview.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No B1: Please give details: Policies existed for Forced labour, Child Labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The facility had installed relevant policies about no discrimination, no harassment & abuse, child labour not to be used, and no forced labour.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No D1: Please give details: Standards on 'Forced labour', child labour, discrimination and 'No harsh treatment' were communicated to workers though posters and annual training.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☒ Yes ☐ No E1: Please describe: per employees' interview and document's review, factory conducted relevant trainings to all workers.
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).*	☐ Yes ☒ No F1: Please give details:
G: Is there a Human Resources manager/department? If Yes, please detail.	☒ Yes ☐ No G1: Please give details: Ms. Xia Ting/ HR Manager was responsible for recruiting.
H: Is there a senior person / manager responsible for implementation of the code	☒ Yes ☐ No H1: Please give details: Ms. Xia Ting/ HR Manager was responsible for implementation of the code.
I: Is there a policy to ensure all worker information is confidential?	☒ Yes ☐ No I1: Please describe: All worker information was kept locked in files in the personnel office.
J: Is there an effective procedure to ensure confidential information is kept confidential?	☒ Yes ☐ No J1: Please give details: per document review and management's interview, the facility conducted risk assessment annually.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	☒ Yes ☐ No

	K1: Details: yes, there was a documentation and process to define and deduce identified risks. And factory conducted risk assessment annually.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☒ Yes ☐ No L1: Details: factory had monitored the labour standard of its own suppliers every year.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	☒ Yes ☐ No M1: Please describe: All worker information was kept locked in files in the personnel office.
Land rights	
N: Does the site have all required land rights licenses and permissions *(see SMETA Measurement Criteria)*?	☒ Yes ☐ No N1: Please give details: the facility provided all required documents 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?	☒ Yes ☐ No O1: Please give details:
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	☐ Yes ☒ No P1: If yes, how does the company obtain FPIC:
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	☐ Yes ☐ No Q1: Please give details: N/A
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☐ No R1: Please give details: N/A
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	☐ Yes ☐ No S1: Please give details: N/A

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 requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective evidence observed:** N/A

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:

i. The factory rules and policy showed that there was no forced, bonded labour. No prison labour would be used.
ii. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
iii. Workers were not required to lodge deposit or their identify papers with their employer and were free to leave their employer after reasonable notice.
iv. The above was confirmed in management and worker interview.

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

Details:

i. Through the employee interview, the factory did not require deposit or withhold employees' ID card; employees were free to go if they had reasonable noticed; there was no forced, bonded or involuntary prison labour; the factory did not limit employees' freedom.
ii. Resignation records
iii. Factory rules
iv. Employee handbook
v. Management and worker interview

Any other comments: nil.

A: Is there any evidence of retention of original documents, e.g. passports/ID's	☐ Yes ☒ No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	☐ Yes ☒ No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	☐ Yes ☒ No C1: If yes, please give details and category of worker affected:

D: Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☒ No D1: Please describe finding:
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?	☐ Yes ☐ No ☒ Not applicable E1: Please describe finding:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☒ No F1: Please describe finding:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☒ Yes ☐ No ☐ Not applicable G1: If yes, please give details and category of workers affected: The facility conducted social responsibility audit to its supply chain every year, and no forced / trafficked / bonded labour was found.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☒ Yes ☐ No H1: Please describe finding: there was policy to define forced / trafficked labour, and workers were trained on forced / trafficked labour, workers were well aware of their rights and responsibilities.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law: ☐ NC against customer None observed. **Local law and/or ETI requirement** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI requirement:**	**Objective evidence observed:** N/A

N/A **Comments:** N/A	

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective evidence observed:** N/A

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:

i. Workers had the right to join or form trade union of their owning choosing and to bargain collectively
ii. There was no union at the site
iii. There was evidence of a workers committee
iv. The committee members were chosen by fellow workers
v. Worker interview confirmed that the members of the workers committee had been elected by fellow workers.
vi. The employer adopted an open attitude towards the activities of trade unions and their organisational activities.

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

Details:

i. Through employee interview, workers were free to join or form trade union of their own choosing and to bargain collectively.
ii. Interview with workers
iii. Interview with workers committee members
iv. Interview with managers
v. The employers had an open attitude toward the activities of trade unions and their organisational activities.

Any other comments: nil.

A: What form of worker representation/union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify) ☐ None

B: Is it a legal requirement to have a union?	☐ Yes ☒ No	
C: Is it a legal requirement to have a worker's committee?	☐ Yes ☒ No	
D: Is there any other form of effective worker/management communication channel? *(Other than union/worker committee e.g. H&S, sexual harassment)*	☒ Yes ☐ No D1: Please give details: Suggestion box, phone call, go to team leader D2: Is there evidence of free elections? ☒ Yes ☐ No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☒ Yes ☐ No E1: Please give details: there was an office provided for worker committee.	
F: Name of union and union representative, if applicable:	N/A	Is there evidence of free elections? ☐ Yes ☐ No ☒ N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker Committee	Is there evidence of free elections? ☒ Yes ☐ No ☐ N/A
H: Are all workers aware of who their representatives are?	☒ Yes ☐ No	
I: Were worker representatives freely elected?	☒ Yes ☐ No	Date of last election: 10 June 2019
J: Do workers know what topics can be raised with their representatives?	☒ Yes ☐ No	
K: Were worker representatives/union representatives interviewed?	☒ Yes ☐ No If **Yes**, please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? *Specify date of last meeting; topics covered; how minutes were communicated etc.*	Factory had worker committee; worker representatives were selected by employees. The representatives knew about their duties, and they collected workers' suggestions and negotiated to management constantly. Through the interview, worker representatives stated that factory made improvements on some suggestions they made.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☒ No	
If **Yes**, what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA	M2: ____% workers covered by worker rep CBA

	N/A	N/A
M3: If **Yes**, does the Collective Bargaining Agreement (CBA) include rates of pay?	☐ Yes ☐ No N/A	

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code**:** None observed **Local law and/or ETI requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective evidence observed:** N/A

3: Working Conditions are Safe and Hygienic

(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

i. The facility provided a safe and hygienic working environment. The building was secure; there were enough firefighting equipment on site. Evacuation plan were posted on each work floors which indicated escape routes and the location of fire extinguishers. Adequate first aid kits were installed in the workshop with sufficient supplies.
ii. The workshops were ventilated
iii. All electrical switches were covered well.
iv. Workers received regular Health & Safety training.
v. Access to clean toilet facilities and to potable water.
vi. There were adequate first aid kits in each production area and they were well stocked.
vii. The facility observing the code and assigned Mr. Dai Zhongguo/ Factory Manager for Health & Safety.

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

Details:

i. Through factory tour, the facility provided a safe and hygienic working environment, and adequate and clean toilets were provided for workers, potable water was in place for workers.
ii. Through document review, written Health & Safety Management and procedure was established in the factory, which stipulated the requirements about fire safety, production safety, electrical safety, etc.
iii. Through record review and employee interview, the facility provided regular Health & Safety training for workers. Regular fire drill records were provided for review. Fire drills were conducted twice a year, the last fire drill was conducted on 23 December 2020.
iv. The facility conducted annual fire inspection, and the last inspection was conducted on 14 October 2020 by Jiangsu Junxin Xinhua Safety Technology Co., Ltd.
v. Written accident handle procedure was established in the factory. Accident records were kept and provided for review. It was identified that no significant accident was occurred in the facility.

vi. There were adequate first aid kits in each production area and well kept. Any other comments: nil.

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☒ Yes ☐ No A1: Please give details: The site had an H&S system, and factory planned and regularly trained workers on the knowledge of H&S.
B: Are the policies included in workers' manuals?	☒ Yes ☐ No B1: Please give details: per document review, workers' manual was included general and occupational Health & Safety policies and procedures, such as using of machines and chemical, first aid procedure, etc.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☒ No C1: Please give details: the production buildings were built before 1998, and the landlord invited the fire brigade to conduct fire inspection and acceptance in 2004.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	☒ Yes ☐ No D1: Please give details: there were H&S documents posted on the wall, and per document review, factory train all workers on H&S.
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.	☐ Yes ☒ No E1: Please give details: there was no medical room available in the facility but there was first aid kit in each section.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☒ Yes ☐ No F1: Please give details: there were 2 first aiders.
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?	☐ Yes ☐ No G1: Please give details: N/A, no transport was provided to employees.

H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	☒ Yes ☐ No H1: Please give details: There were personal storage spaces in the dormitories.
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?	☒ Yes ☐ No I1: Please give details: factory conducted risk assessment every year and took controls and practices to reduce overtime arrangements risks.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☒ Yes ☐ No J1: Please give details: the facility provided Environment impact evaluation report and Approval for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☒ Yes ☐ No K1: Please give details: currently there was no banned chemical used in the facility.

Non–compliance:

1. Description of non–compliance:
☒ NC against ETI code: ☒ NC against Local Law ☐ NC against customer

Earplugs were not used.
Per onsite tour, it was noted that there was hazard factor existed in the punching section, 1 punching worker was not worn earplugs when worked.

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

Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2011 Amendment), Article 23

The employer shall have effective facilities for prevention of occupational disease and shall provide employees with occupational disease protection items for personal use. The occupational disease protection items for personal use provided by an employer to its employees must meet the requirements for the prevention and control of occupational diseases; and those failing to meet such requirements shall not be used.

Recommended corrective action:
It is recommended that the factory should monitor and regular train workers on the using of earplugs.

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

Onsite observation
Refer to NC photo 1

2. Description of non–compliance: ☒ NC against ETI code: ☒ NC against Local Law ☐ NC against customer The hook of the crane was lack of anti-drop device. It was found that the hook of a crane was not equipped with an anti-drop device. **Local law and/or ETI requirement:** 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. In accordance with Law of the PRC on Work Safety Article 33, the design, manufacture, installation, application, inspection, maintenance, repair of safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff. **Recommended corrective action:** It is recommended that the factory should ensure all cranes have anti-drop devices.	Onsite observation Refer to NC photo 2

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

4: Child Labour Shall Not Be Used

(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

i. Written recruitment procedure was established for checking ages of workers at application stage, and this includes checking ID's.
ii. Checked of all worker files showed that all workers' ID copies were in files, and the youngest worker was age 21 years old.

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

Details:
i. Personnel files of all workers
ii. Latest list of employees

Any other comments: nil.

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	21 years old
C: Are there children present on the work floor but not working at the time of audit?	☐ Yes ☒ No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	☐ Yes ☐ No E1: If yes, give details N/A

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer None observed. **Local law and/or ETI requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

5: Living Wages are Paid

(Click here to return to summary of findings)
(Click here to return to Key information)

ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current systems:

i. Legal minimum wage was paid; the local legal minimum wage was RMB 2020 per month and RMB 11.61 per hour from 1 August 2018.
ii. All workers' wages were calculated on hourly rate. The minimum wage paid by the factory was RMB 2300 per month and RMB 13.22 per hour for permanent workers according to the wage records.
iii. Correct OT wage was paid, workers were paid 150% of the normal wages if the extension of working hours were arranged; workers were paid 200% of the normal wages if the extended working hours were arranged on days of rest; workers were paid 300% of the normal wages if the extended working hours were arranged on statutory holidays.
iv. The payroll office was well organised with a good, controlled set of processes which were understood by all employees.
v. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
vi. Benefits of paid, annual leave was given to all workers and child-bearing leave to appropriate workers.
vii. All workers were paid on or before 20th of each month by cash and each worker 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:

viii. 12 months' (from January 2020-December 2020) payroll records and attendance records from 1 January 2020 to 29 January 2021 were provided for review in this audit.
ix. Correct OT wage was paid, workers were paid 150% of the normal wages if the extension of working hours were arranged; workers were paid 200% of the normal wages if the extended working hours were arranged on days of rest; workers were paid 300% of the normal wages if the extended working hours were arranged on statutory holidays.
x. All workers' wages were calculated on hourly rate. The minimum wage paid by the factory was RMB 2300 per month and RMB 13.22 per hour for permanent workers according to the wage records.

xi. Labour contracts for all employees (to examine agreed wage rates)
xii. Local and national laws
xiii. Wages and benefits policy
xiv. Document review
xv. Worker interview
Any other comments: nil.

Non–compliance:	
1. Description of non–compliance: ☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:** Insufficient social insurances participated. Per document review and confirmed by factory management, it was noted there were 77 employees in total, 22 employees were back to work after retirement, 3 out of 55 eligible employees had participated in 5 kinds of social insurances. The factory provided commercial insurance for all employees. **Local law and/or ETI requirement:** 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. **Labor Law of the People's Republic of China (1994),** **Article 72,** The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. **Article 73,** Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. **Recommended corrective action:** It is recommended that factory should ensure all employees participate in all 5 kinds of social insurances.	**Objective evidence observed:** *(where relevant please add photo numbers)* Per document review and managements' interview

Observation:	
Description of observation: None observed. **Local law or ETI requirement:**	**Objective evidence observed:**

N/A **Comments:** N/A	N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

Summary Information

Criteria	**Local Law** *(Please state legal requirement)*	**Actual at the Site** *(Record site results against the law)*	**Is this part of a Collective Bargaining Agreement?**
A: Standard/Contracted work hours: *(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)*	Legal maximum: 8 hours per day, 40 hours per week.	A1: 8 hours per day, 40 hours per week.	A2: ☐ Yes ☒ No
B: Overtime hours: *(Maximum legal and actual overtime hours, please state if possible per day, week, and month)*	Legal maximum: 3 hours per day, 36 hours per month	B1: 2 hours/day, 14 hours/week, 58 hours/month in March 2020 (random month) 2 hours/day, 14 hours/week, 62 hours/month in June 2020 (random month) 2 hours/day, 14 hours/week, 66 hours/month in December 2020 (the most current month)	B2: ☐ Yes ☒ No
C: Wage for standard/contracted hours: *(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: RMB 2020 per month (11.61 per hour) from 1 August 2018	C1: RMB 2300 per month (13.22 per hour)	C2: ☐ Yes ☒ No
D: Overtime wage:	Legal minimum: 150% of normal wage rate for	D1: 150% of normal wage rate for	D2: ☐ Yes ☒ No

(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	

Wages analysis: *(Click here to return to Key Information)*		
A: Were accurate records shown at the first request?	☒ Yes ☐ No	
A1: If **No**, why not?	Nil.	
B: Sample Size Checked *(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)*	10 samples from March 2020 (random month) 10 samples from June 2020 (random month) 10 samples from December 2020 (the most current month)	
C: Are there different legal minimum wage grades? If **Yes**, please specify all.	☐ Yes ☒ No	C1: If **Yes**, please give details: N/A
D: If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☒ 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?	☐ Below legal min ☐ Meet ☒ Above	E1: Lowest actual wages found: *Note: full time employees and please state hour / week / month etc.* *RMB 2300 per month and RMB 13.22 per hour.*
F: Please indicate the breakdown of workforce per earnings:	F1: __0__% of workforce earning under minimum wage F2: __0__% of workforce earning minimum wage F3: _100___% of workforce earning above minimum wage	
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: Full attendance bonus: RMB 50 each employee. *Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.*	

H: What deductions are required by law e.g. social insurance? Please state all types:	Tax, insurance.		
I: Have these deductions been made?	☒ Yes ☐ No	I1: Please list all deductions that **have** been made.	1. Tax 2. Insurance Please describe: Individual income tax and social insurance was deducted as law required
		I2: Please list all deductions that **have not** been made.	1. nil. 2. Please describe:
J: Were appropriate records available to verify hours of work and wages?	☒ Yes ☐ No		
K: Were any inconsistencies found? (if yes describe nature)	☐ Yes ☒ No	K1: Type ☐ Poor record keeping ☐ Isolated incident ☐ Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	☒ Yes ☐ No L1: Please give details: records were reflected time worked, and per workers' interview, workers were not required to attend meetings before or after work.		
M: Is there a defined living wage: *This is not normally minimum legal wage. If answered yes, please state amount and source of info:* *Please see SMETA Best Practice Guidance and Measurement Criteria.*	☐ Yes ☒ No M1: Please specify amount/time:		
M2: If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation Other – please give details: N/A.		
N: Are there periodic reviews of wages? If Yes give details (include	☒ Yes ☐ No		

whether there is consideration to basic needs of workers plus discretionary income).	N1: Please give details:
O: Are workers paid in a timely manner in line with local law?	☒ Yes ☐ No
P: Is there evidence that equal rates are being paid for equal work:	☒ Yes ☐ No P1: Please give details:
Q: How are workers paid:	☒ Cash ☐ Cheque ☐ Bank Transfer ☐ Other Q1: If other, please explain:

6: Working Hours are not Excessive

(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

i. The factory provided all records for working hours and wages. 10 records were picked to show attendance records from 1 January 2020-29 January 2021 were provided for review. And 10 records were picked to verify wages were taken for 12 months from period January 2020 - December 2020.
ii. Through employees' interview, overtime was voluntary. And the facility paid 150% and 200% of normal rate for overtime on normal workdays and rest days respectively; no work was arranged on holidays.
iii. The employees were provided one day off in every 7-day period.
iv. Working hours were 8 hours per day, 40 hours per week with no more than 3 hours per day overtime on weekdays.

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

Details:

i. Through employees' interview, overtime was voluntary. And the facility paid 150% and 200% of normal rate for overtime on normal workdays and rest days respectively; no work was arranged on holidays.
ii. Employees' wages were paid above local minimum wage with payment slip each month.
iii. All employees were signed contracts with the employer.
iv. Quality and production records to cross check hours
v. sample pay slips with recorded hours all workers interviewed
vi. workers' contracts
vii. Overtime working: records of 10 workers' attendance selected. Overtime sample hours in sample was:
58 hours/month in March 2020 (random month)
62 hours/month in June 2020 (random month)
66 hours/month in December 2020(random month)

Any other comments: nil.

Non–compliance:

1. Description of non–compliance:
☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:**
Monthly overtime exceeded legal limit (I.e. 36 hrs a month).
Per selected 10 workers' attendance records, it was noted that monthly overtime of workers exceeded 36 hours a month. For example, the maximum monthly overtime was 58 hours in March 2020. The maximum monthly overtime was 62 hours in June 2020. The maximum monthly overtime was 66 hours in December 2020.

Local law and/or ETI requirement:
ETI 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards.

Labor Law of the People's Republic of China (1994), Article 41
The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Recommended corrective action:
It is recommended that factory should ensure the overtimes of workers be in accordance with the legal requirements.

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

Per document review, workers' and managements' interview

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

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: IC Card*	
B: Is sample size same as in wages section?	☒ Yes ☐ No B1: If no, please give details	
C: Are standard/contracted working hours defined in **all** contracts/employment agreements?	☒ Yes ☐ 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?	☐ Yes ☒ No	*D1: If YES, please complete as appropriate: N/A* ☐ 0 hrs ☐ Part time ☐ Variable hrs ☐ Other If "Other", Please define: *N/A*

E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	☐ Yes ☒ 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: ☒ 1 in 7 days ☐ 2 in 14 days ☐ No If 'No', please explain:	F3: Is this allowed by local law? ☒ Yes ☐ No
	Maximum number of days worked without a day off (in sample):	
	6	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	☐ Yes ☒ No	G1: If yes, % of workers & frequency: *N/A*
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	☐ Yes ☒ No	H1: If yes, please give details: *N/A*
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/day, 14 hours/week, 58 hours/month in March 2020 (random month) 2 hours/day, 14 hours/week, 62 hours/month in June 2020 (random month) 2 hours/day, 14 hours/week, 66 hours/month in December 2020 (the most current month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	☐ Yes ☒ No	
K: Approximate percentage of total workers on highest overtime hours:	*___80___%*	

L: Is overtime voluntary?	☒ Yes ☐ No ☐ Conflicting Information	*L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:* *Based on reviewing labor contracts and employee manual and interviewing workers, overtime was voluntary.*
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	☒ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium	*M1: Please give details of normal day overtime premium as a % of **standard** wages:* Workers were paid 150% of the normal wages if the extension of working hours were arranged; workers were paid 200% of the normal wages if the extended working hours were arranged on days of rest; workers were paid 300% of the normal wages if the extended working hours were arranged on statutory holidays.
N: Is overtime paid at a premium?	☒ Yes ☐ No	*N1: If yes, please describe % of workers & frequency:* Employees' wages were calculated on hourly rate and paid on or around 20th of each month.
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.	☐ No ☐ Consolidated pay *(May be standard wages above minimum legal wage, with no/low overtime premium)* ☐ Collective Bargaining agreements ☐ Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	☐ **Overtime is voluntary** ☐ Onsite Collective bargaining allows 60+ hours/week ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended	☒ Yes ☐ No Q1: If yes, please give details:	

periods to make up for labour shortages or increased order volumes?	Factory was busy and hiring all the time.
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	☒ Yes ☐ No

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: i. As informed by interviewed workers, most employees spoke highly of the factory owner. ii. No worker was required to do the examination of the hepatitis B virus and HIV. iii. There was no evidence of sexual harassment. iv. Written anti-discrimination procedure on hiring, compensation, promotion, training, etc. was provided for review. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: i. The facility tour showed workforce was comprised of male and female employees. ii. The interviewed employees stated that there was no issue of discrimination in this facility. iii. Through management and employee interview, it was noted that female employees were not asked for pregnancy test. No worker was required to do the examination of the hepatitis B virus and HIV. iv. Employment contracts were provided for review and they showed that male and female employees are on the same pay grade. Any other comments: nil.

A: Gender breakdown of Management + Supervisors *(Include as one combined group)*	A1: Male: __50___ % A2: Female__50___ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	☐ Hiring ☐ Compensation ☐ Access to training ☐ Promotion ☐ Termination or retirement ☒ No evidence of discrimination found C1: Please give details:

Professional Development	
A: What type of training and development are available for workers?	PPE using training, machine operating training, chemical usage training, etc.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	☒ Yes ☐ No If no, please give details:

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer None observed. **Local law and/or ETI requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

8: Regular Employment Is Provided

(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour–only contracting, sub–contracting, or home–working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed–term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
8.5 Employment agencies must only supply workers registered with them.
8.6 Workers pay no recruitment fee at any stage of the recruitment process.
8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current systems:

i. Workers were employed by the factory directly.
ii. No labour agency was used to hire workers.
iii. No temporary worker, apprenticeship schemes or home worker was identified by the auditors. The factory signed labour contracts with all workers and one copy of the contract was provided to worker for reference.

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

Details:

i. During manager and employee interview, it was noted that all workers were employed by the factory directly, and no homeworking exists in the facility.
ii. During document review and employee interview, it was noted that the facility signs labour contracts with employees within 30 days after employment.

Any other comments: nil.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code**:** ☐ NC against Local Law ☐ NC against customer None observed. **Local law and/or ETI requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

Responsible Recruitment

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

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

Migrant Workers: *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*		
A: Type of work undertaken by migrant workers:	Packing, punching, etc.	
B: Please give details about recruitment agencies for migrant workers:	Total number of (in country recruitment agencies) used: Nil. Total number of (outside of local country) recruitment agencies used: Nil.	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	☐ Yes ☐ No N/A C1: Please describe finding:	C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles *Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)*	☐ Yes ☒ No D1: If yes, number and example of roles:	

NON-EMPLOYEE WORKERS

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

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

	D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	☐ Yes ☐ No E1: Please give details: N/A

Contractors: *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,	
A: Any contractors on site?	☐ Yes ☐ No N/A A1: If yes, how many contractors are present, please give details:
B: If **Yes**, how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	☐ Yes ☐ No N/A C1: Please describe finding:
D: If **Yes**, please give evidence for contractor workers being paid per law:	N/A

8A: Sub–Contracting and Homeworking

(Click here to return to summary of findings)
(Click here to return to Key Information)

8A.1 There should be no sub–contracting unless previously agreed with the main client.
8A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing.

Note to auditor on homeworking:
Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.
Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

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

Current systems:

i. There was no homeworker found during this audit.
ii. If the client's products need subcontractor, the factory would had informed the client. Therefore, no apparent concern was detected regarding this section.

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

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

Process Subcontracted	*Plating*	*Process 2*
Name of factory	*Changshu The Fifth Plating Factory*	
Address	*Changxin Village, Liantang Town, Changshu City*	

Details:

i. Factory tour.
ii. Management interview and employee interview.
iii. Production records

Details: nil.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI/Additional Elements ☐ NC against Local Law ☐ NC against customer code: None observed. **Local law and/or ETI /Additional Elements requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI/Additional elements requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

Summary of sub–contracting – if applicable ☐ Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	☒ Yes ☐ No A1: Please describe: auditor checked the inputs and outputs records.
B: If sub–contractors are used, is there evidence this has been agreed with the main client?	☒ Yes ☐ No B1: If **Yes**, summarise details: the factory made clear that they were not able to do plating to their customers. The sub-contracted process has been informed to its customers.
C: Number of sub–contractors/agents used:	1
D: Is there a site policy on sub–contracting?	☒ Yes ☐ No

	D1: If **Yes**, summarise details: except sub-contractor's self-assessment, the factory conducted social responsibility audit regularly.
E: What checks are in place to ensure no child labour is being used and work is safe?	Onsite tour, documents review, workers' interview, managements' interview, etc.

Summary of homeworking – if applicable ☒ Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	☐ Yes ☐ No A1: If **Yes**, summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	☐ Directly ☐ Through Agents	C1: If through agents, number of agents:	
D: Is there a site policy on homeworking?	☐ Yes ☐ 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?	☐ Yes ☐ No G1: Please give details:		
H: Are full records of homeworkers available at the site?	☐ Yes ☐ No		

9: No Harsh or Inhumane Treatment is Allowed **(Click here to return to summary of findings)**
ETI 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	☒ Yes ☐ No A1: Please give details: There was suggestion box.
B: If **Yes**, are workers aware of these channels and have access? Please give details.	Suggestion box was known by 100% of workers.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, issues were discussed at senior management level and investigated.
D: Which of the following groups is there a grievance mechanism in place for?	☒ Workers ☐ Communities ☐ Suppliers ☐ Other D1: Please give details: Employees could raise their grievances directly to supervisors, worker representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board.
E: Are there any open disputes?	☐ Yes ☒ No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	☒ Yes ☐ No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	☒ Yes ☐ No G1: If no, please explain

H: If yes, are workers aware of these the disciplinary procedure?	☒ Yes ☐ No H1: If no, please give details
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☒ No I1: If yes, please give details

Current Systems and Evidence Examined

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

Current systems:

i. The facility established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
ii. Through the facility management and employee interview, it was noted that no physical abuse or discipline happened in the facility and the disciplinary procedure of the facility was verbal warning and education.
iii. There was an internal process for grievance, which was an anonymous email address, where workers could report any grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the worker in question.

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

Details:

i. Facility's inhumane treatment policy was reviewed. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
ii. Through the facility management and employee interview, it was noted that no physical abuse or discipline happened in the facility and their disciplinary procedure was verbal warning and education.
iii. The employee had been trained on no harassment & abuse. The training records were provided to review.
iv. There was an internal process for grievance, which was an anonymous email address, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the worker in question. It was confirmed by employees and management interview.

Any other comments: nil.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer None observed. **Local law and/or ETI requirement:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good Examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

10. Other Issue areas: 10A: Entitlement to Work and Immigration
(Click here to return to NC–table)

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current systems:

i. Per document review, factory management representation and worker interview, there was a total of 77 employees were currently in the facility, including 6 management staffs and 71 production workers. 45 employees were from local, 32 employees were from other provinces in China, such as Sichuan, An'hui, etc. The youngest worker in this facility was 21 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.
ii. No agency staff or foreign worker was used by the factory.

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

Details:

i. All workers were employed by the factory directly. The factory recruited new workers by advertisement or workers' recommendation.
ii. Employment contracts were reviewed, and they contained the clause that only employees with a legal right to work would be employed by the facility.

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:** N/A **Recommended corrective action:** N/A	**Objective evidence observed:** *(where relevant please add photo numbers)* N/A

Observation:	
Description of observation: None observed. **Local law or ETI/Additional Elements requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

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:

i. The facility had established written environment policy. One senior manager Mr. Dai Zhongguo/Factory Manager was responsible for continuous improvements in their environmental performance.
ii. The facility conducted some training for all employees on the avoidance of environment impact.
iii. The facility had obtained the environment registration form.
iv. No waste air/water was generated from production process in the facility.
v. Based on workers interview, they were trained on environmental protection.

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

Details:

i. Legally required environmental documents were provided for review.
ii. Environmental policy
iii. Water bill
iv. Worker and management interview.
v. Site tour

Any other comments: nil.

Non–compliance:

1. Description of non–compliance:
☐ NC against ETI/Additional Elements ☐ NC against Local Law
None observed.

Local law and/or ETI/Additional Elements requirement:
N/A

Recommended corrective action:
N/A

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

N/A

Observation:	
Description of observation: None observed. **Local law or ETI/additional elements requirement:** N/A **Comments:** N/A	**Objective evidence observed:** N/A

Good examples observed:	
Description of Good Example (GE): None observed.	**Objective Evidence Observed:** N/A

Other findings

Other Findings Outside the Scope of the Code
Nil.

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

Appendix 1

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

☒ Not Applicable please x

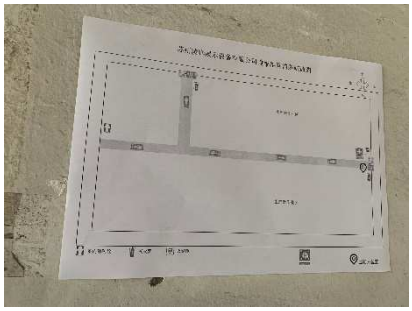
Photo Form

NC Photo

		*Nil*
No. 1: Earplugs were not used	No. 2: Hook without anti-drop device	

General Photo

		
Factory gate	Factory name	Address plate

		
Emergency lights, alarm	Attendance record system	Evacuation plan

		
Exit sign	Suggestion box	Drinking water
		
Finished goods warehouse	Fire hydrant	Fire extinguishers
		
Metal processing section	Welding section	Welding section
		
Eye wash machine	Face shield, safety goggles	Welding section

		
Metal bending section	Metal process section	Punching section

	*End*	
Paint spraying section		

For more information visit: Sedexglobal.com

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

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

Click here for Buyer (A) & Buyer/Supplier (A/B) members:

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

Click here for Supplier (B) members:

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

Click here for Auditors:

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