

Reaching Kayo

SMETA

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 407732332	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 407786195
Business name (Company name):	Zhejiang Reaching Kayo Textile & Garment Co., Ltd. (Zhejiang Dachengkaiyue Textile & Garment Co., Ltd.)		
Site name:	Zhejiang Reaching Kayo Textile & Garment Co., Ltd. (Zhejiang Dachengkaiyue Textile & Garment Co., Ltd.) 浙江达成凯悦纺织服装有限公司		
Site address: <i>(Please include full address)</i>	No. 168 Dacheng Road, Economic Development Zone, Shengzhou City, Zhejiang Province, China. 中国浙江省嵊州市经济开发区达成路 168 号	Country:	China
Site contact and job title:	Mr. Zhu Jirong / HR Manager		
Site phone:	86-13506756753	Site e-mail:	Jirong.zhu@reachingkayo.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar
			<input type="checkbox"/> Business Ethics
Date of Audit:	13-14 January 2020		

Audit Company Name & Logo:	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
	Zhejiang Reaching Kayo Textile & Garment Co., Ltd

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): None

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

Lead auditor: Ms. Estelle Tong, Social Auditor APSCA number: RA21700299

Lead auditor APSCA status: RA

Team auditor: N/A, only one auditor APSCA number: N/A

Interviewers: Ms. Estelle Tong, Social Auditor APSCA number: RA21700299

Report writer: Ms. Estelle Tong, Social Auditor

Report reviewer: Ms. May Liu, Report Reviewer APSCA number: RA21700686

Date of declaration: 14 January 2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1	0	Obs: <ul style="list-style-type: none"> 1. Not communicating this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	NCs: <ul style="list-style-type: none"> 1. Part of goods was stored against the wall and pillar. 2. No occupational health examination was provided to one cleaning employee.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NCs: <ul style="list-style-type: none"> 1. Insufficient social insurance participated.

6	Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NCs: • 1. Overtime hours exceeded the legal requirement.
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
8A	Sub-Contracting and Homeworking	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	NCs: • 1. Subcontracting without approval.
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
10A	Entitlement to Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
10B2	Environment 2-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
10B4	Environment 4-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• Not applicable
10C	Business Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• Not applicable

General observations and summary of the site:

- The products manufactured at this site were garments.
- Overall responsibility for meeting the standards was taken by Mr. Zhu Jirong / HR Manager.
- There was a total of 454 employees on site (including 15 managers, all were permanents), 350 employees were local residents and 104 employees were from other provinces (Guizhou Province, Anhui Province and etc.) of China.
- The youngest employee on site was 18 years old.
- There was a worker committee at this facility. Ms. Qiu Meiyong / worker representative was present at the audit.
- Labour union exists in the facility. Mr. Zhu Jirong / union representative was present at the audit.
- There was evidence of both male and female in management and among supervisor. The distribution was Male 51%, Female 49%.
- Site didn't have peak season.
- Site had completed most production processes (excepted embroidery /dyeing and printing /garment washing). 3 subcontractors were used. No contractor was used by the facility.

- 26 employees were randomly selected for interview, they were interviewed as 4 groups of 5 employees and the balance of 6 employees was interviewed individually.
- Payrolls for the period from December 2018 to November 2019 and attendance records for the period from 1 December 2018 to 12 January 2020 were provided for review. Randomly sampled 10 employees' payrolls and attendance records from November 2019 (current month), August 2019 (random month) and April 2019 (random month) for further checking on status of wages and working hours.
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week. At least one day off per week was provided for employees.
- Based on the provided attendance records and payrolls, overtime working was paid correctly. Employees were paid at least 150%, 200% rate of standard wage for overtime hours in normal workdays and overtime hours in rest days respectively, and no overtime hours in public holidays observed.
- Based on the provided attendance records, the status of overtime hours in sample was as below.

0-3 hours/ day in November 2019 (current month)
 0-3 hours/ day in August 2019 (random month)
 0-3 hours/ day in April 2019 (random month)

0-11 hours/week in November 2019 (current month)
 0-11 hours/ week in August 2019 (random month)
 0-11 hours/ week in April 2019 (random month)

30-49 hours/month in November 2019 (current month)
 0-49hours/month in August 2019 (random month)
 8-41 hours/month in April 2019 (random month)

Issues Found
 NC's

3.Safety and Hygienic Conditions

- Part of goods was stored against the wall and pillar. During facility tour, auditor found that part of raw materials and finished goods in warehouse were stored against the wall and pillar.
- No occupational health examination was provided to one cleaning employee. During facility tour, auditor found that one employee was working in cleaning workshop on 4/F of one 4-storey building with noise. However, no periodic occupational health examination was arranged for the employee.

5. Living Wages and Benefits

- Insufficient social insurance participated. Through document review, auditor found that based on the social receipt of November 2019, out of total 454 employees in November 2019 (including 45 retired employees), only 387 employees had participated in maternity insurance, basic medical insurance, unemployment insurance, basic endowment insurance and employment injury insurance. In addition, the facility provided commercial group accident

insurance to 45 retired employees from 1 October 2019 to 30 September 2020 and employer liability insurance to the rest 22 employees from 15 July 2019 to 14 July 2020.

6. Working Hours

- Overtime hours exceeded the legal requirement. Through document review, auditor found that: 1) The monthly overtime hours of 24 out of 26 randomly selected employees were 41-49 hours in November 2019 (current month); 2) The monthly overtime hours of 19 out of 26 randomly selected employees were 49 hours in August 2019 (random month); 3) The monthly overtime hours of 22 out of 26 randomly selected employees were 38-41 hours in April 2019 (random month).

8A. Sub-Contracting and Homeworking

- Subcontracting without approval. During facility tour and management interview, auditor found that the production processes of embroidery /dyeing and printing /garment washing were subcontracted to below facilities but without written approval of client.

1) Facility Name: Shengzhou City Shudong Computer Embroidery Factory.

Address: Chengguan Town, Shengzhou City, Zhejiang Province.

Process Type: Embroidery

Tel: 86-13732451881

Contact person: Mr. Guo Rudong

Email: Not provided

2) Facility Name: Zhejiang Guandong Printing and Dyeing Garment Co., Ltd.

Address: Chengbei Industrial Park, Shengzhou City, Zhejiang Province.

Process Type: Dyeing and printing

Tel: 86-13306856318

Contact person: Mr. Zhang Yaliang

Email: Not provided

3) Facility Name: Hangzhou Yuejin Textile Co., Ltd.

Address: Erhao Qiao, Xin Street, Xiaoshan District, Hangzhou City, Zhejiang Province.

Process Type: Garment washing

Tel: 86-15857197676

Contact person: Mr. Jiang Dong

Email: Not provided

Remark: The facility stated that no above processes were used for products of the client.

Observation

OB. Management systems and code implementation

• Not communicating this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain. Through document review and management interview, auditor found that the facility did not communicate this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain.

GE
None observed

Additional Auditor Remark:

There were total 3 facilities on site: facility A: Zhejiang Dacheng Kaiyue Shareholding Co., Ltd; facility B: Shengzhou Dacheng Textile Co., Ltd. and the audited facility. Facility A was located at 1/F of one 4-storey production building, 1/F of one 4-storey comprehensive building and 2/F to 4/F of one new 4-storey building (including canteen on 1F) and the main product was silk fabric; the 2/F of the 4-storey production building was in idle now; facility B was located at 3/F of the 4-storey production building, partial 2/F of the 4-storey comprehensive building, and the main product was silk tie. Facility A, B shared two 6-storey buildings as their employee dormitory rooms. During the facility tour, employee interview and management employee, it was noted that all 3 facilities belong to the same ownership, but the audited facility had individual business license and was separated with the other 2 facilities on management team, production employees, finance and no co-mingling issues on production were noted. All buildings on site were belonged to the audited facility and rented partial buildings out for the other facilities and the business licenses and lease contracts for above facilities were provided for review.

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

Site Details

Site Details			
A: Company Name:	Zhejiang Reaching Kayo Textile & Garment Co., Ltd. (Zhejiang Dachengkaiyue Textile & Garment Co., Ltd.)		
B: Site name:	Zhejiang Reaching Kayo Textile & Garment Co., Ltd. (Zhejiang Dachengkaiyue Textile & Garment Co., Ltd.) 浙江达成凯悦纺织服装有限公司		
C: GPS location: (If available)	<table border="1"> <tr> <td>GPS Address: No. 168 Dacheng Road, Economic Development Zone, Shengzhou City, Zhejiang Province, China. 中国浙江省嵊州市经济开发区达 成路 168 号</td> <td>Latitude: 29.59326 Longitude: 120.84494</td> </tr> </table>	GPS Address: No. 168 Dacheng Road, Economic Development Zone, Shengzhou City, Zhejiang Province, China. 中国浙江省嵊州市经济开发区达 成路 168 号	Latitude: 29.59326 Longitude: 120.84494
GPS Address: No. 168 Dacheng Road, Economic Development Zone, Shengzhou City, Zhejiang Province, China. 中国浙江省嵊州市经济开发区达 成路 168 号	Latitude: 29.59326 Longitude: 120.84494		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The business license number: 91330600737764435T. Valid from 15 April 2002 to 14 April 2022.		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Garments		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Zhejiang Reaching Kayo Textile & Garment Co., Ltd. is located at No. 168 Dacheng Road, Economic Development Zone, Shengzhou City, Zhejiang Province, China. The total land area occupied by the facility is about 12800 square meters. The facility has started their operation in existing location since April 2002. The main products manufactured by the facility are garments.</p> <p>A total of 454 employees (including 15 manager) were currently working in the facility, which included 361 production employees and 93 non-production employees. 350 employees were local resident and 104 employees were from other provinces of China such as Guizhou Province, Anhui Province and etc.</p> <p>According to the management interview and employee interview, all employees worked in one shift was 8:00-17:00 with one hour for lunch breaks (from 11:30 to 12:30) in winter time (from October to April of next year); 7:30-17:00 with 1.5 hours for lunch breaks (from 11:30 to 13:00) in summer time (from May to September).</p> <p>The facility used electronic attendance system (IC cards) for time keeping. Wages of all employees were calculated on the basis of hour-rated. All employees' wages were paid at the end</p>		

of each month through bank auto-pay. The peak season in this facility is not obvious.

In view of the facility, the facility used 4F of one 4-storey production building as workshop, partial of 2F, total 3F and 4F of one 4-storey comprehensive building for sample making workshop, warehouse and office and one 6-storey building used as dormitory. In addition, there were canteen and kitchen located at 1F of one new 4-storey building. The canteen was also open to other 2 individual facilities on site and managed by an independent catering services company (named Shengzhou City Dachengkaiyue Food and Beverage Department) and did not belong to any of above 3 facilities. Employees could choose to eat in canteen or not freely.

Remark:

There were total 3 facilities on site: facility A: Zhejiang Dacheng Kaiyue Shareholding Co., Ltd; facility B: Shengzhou Dacheng Textile Co., Ltd. and the audited facility.

Facility A was located at 1/F of the above mentioned 4-storey production building, 1/F of the above mentioned 4-storey comprehensive building and 2/F to 4/F of one new 4-storey building (including canteen on 1F) and the main product was silk fabric; the 2/F of the above mentioned 4-storey production building was in idle now; facility B was located at 3/F of the above mentioned 4-storey production building, partial 2/F of the above mentioned 4-storey comprehensive building, and the main product was silk tie. Facility A, B shared two 6-storey buildings as their employee dormitory rooms. During the facility tour, employee interview and management employee, it was noted that all 3 facilities belong to the same ownership, but the audited facility had individual business license and was separated with the other 2 facilities on management team, production employees, finance and no co-mingling issues on production were noted. All buildings on site were belonged to the audited facility and rented partial buildings out for the other facilities and the business licenses and lease contracts for above facilities were provided for review.

For below, please add any extra rows if appropriate.

One 4-storey production building	Description	Remark, if any
Floor 1	Used as workshop by facility A: Zhejiang Dacheng Kaiyue Shareholding Co., Ltd.	year of establishment: July 2005; Size: About 5832 square meters
Floor 2	Idle	year of establishment: July 2005; Size: About 5832 square meters

	Floor 3	Used as workshop and warehouse by facility B: Shengzhou Dacheng Textile Co., Ltd.	year of establishment: July 2005; Size: About 5832 square meters
	Floor 4	Used as workshop and warehouse by audited facility: Zhejiang Reaching Kayo Textile & Garment Co., Ltd.	year of establishment: July 2005; Size: About 5832 square meters
	Is this a shared building?	Yes	None
	One 4-storey comprehensive building	Description	Remark, if any
	Floor 1	Used as workshop and warehouse by facility A: Zhejiang Dacheng Kaiyue Shareholding Co., Ltd.	year of establishment: July 2005; Size: About 4081 square meters per floor
	Floor 2	Used as warehouse and office by facility B (Shengzhou Dacheng Textile Co., Ltd.) and audited facility.	year of establishment: July 2005; Size: About 4081 square meters per floor
	Floor 3	Used as warehouse and office by audited facility.	year of establishment: July 2005; Size: About 4081 square meters per floor
	Floor 4	Used as sample making workshop by audited facility.	year of establishment: July 2005; Size: About 4081 square meters per floor
	Is this a shared building?	Yes	None
	One new 4-storey building	Description	Remark, if any
Floor 1	The canteen was shared with all 3 facilities and managed by an independent catering services company and did not belong to any of above 3 facilities.	year of establishment: March 2006; Size: About 2091 square meters	

Floor 2	Used as warehouse by facility A: Zhejiang Dacheng Kaiyue Shareholding Co., Ltd	year of establishment: March 2006; Size: About 2091 square meters
Floor 3-4	Used as workshop by facility A: Zhejiang Dacheng Kaiyue Shareholding Co., Ltd	year of establishment: March 2006; Size: About 2091 square meters
Is this a shared building?	Yes	None
One 6-storey dormitory building 1#	Description	Remark, if any
Floor 1-6	Used as dormitory rooms by audited facility: Zhejiang Reaching Kayo Textile & Garment Co., Ltd.	year of establishment: July 2005; About 864 square meters per floor
Is this a shared building?	No	None
One 6-storey dormitory building 2#	Description	Remark, if any
Floor 1-6	Used as dormitory rooms by other 2 facilities (facility A and facility B)	year of establishment: July 2005; About 864 square meters per floor
Is this a shared building?	Yes	None
One 6-storey dormitory building 3#	Description	Remark, if any
Floor 1-6	Used as dormitory rooms by other 2 facilities (facility A and facility B)	year of establishment: July 2005; Size: About 321 square meters per floor
Is this a shared building?	Yes	None
F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

	<p>F2: Please give details: No crack was noted on the building.</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: No structural engineer evaluation but the facility had obtained reports of construction completion acceptance for the building.</p>
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	<p>NA</p> <p>Site didn't have peak season</p>
I: Process overview: (include products being produced, main operations, number of production lines, main equipment used)	<p>The products manufactured in this factory are garments.</p> <p>The main production processes are listed as follows: cutting, sewing, ironing, finishing, inspection and packing.</p> <p>The main equipment used in the facility list as: sewing machine: 400 sets; cutting machine: 39 sets; ironing machine: 60 sets; needle inspecting machine: 1 set; dust collecting machine: 2 sets.</p> <p>Site had completed most production processes (excepted embroidery /dyeing and printing /garment washing). 3 subcontractors were used. Please refer to 8A.1 for details.</p>
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name) Zhejiang Reaching Kayo Textile & Garment Co., Ltd. union <input checked="" type="checkbox"/> Worker Committee Zhejiang Reaching Kayo Textile & Garment Co., Ltd. Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>L1: If yes, approx. % of workers in on site accommodation 17 % of workers in on site accommodation</p>

<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No M1: If yes, approx. % of workers Not applicable, no off site dormitory was provided for employees.</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details</p>

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:30 A2: Day 1 Time out: 17:30	A3: Day 2 Time in: 8:30 A4: Day 2 Time out: 16:30	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	2 (One auditor in 2 days)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input checked="" type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Zhu Jirong / HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	7 March 2019		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

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

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	42	0	0	21	0	0	0	63
Worker numbers – female	236	0	0	62	0	0	0	298
Total	278	0	0	83	0	0	0	361
Number of Workers interviewed – male	6	0	0	2	0	0	0	8
Number of Workers interviewed – female	12	0	0	6	0	0	0	18
Total – interviewed sample size	18	0	0	8	0	0	0	26

A: Nationality of Management	China	
<p>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.</p>	<p>Nationalities: B1: Nationality 1: <u>China</u> B2: Nationality 2: <u>N/A</u> B3: Nationality 3: <u>N/A</u></p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: Not applicable. The peak season in the facility was not obvious.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 <u>N/A</u> C2: approx % total workforce: Nationality 3 <u>N/A</u></p>	
D: Worker remuneration (management information)	<p>D: <u>0</u>% workers on piece rate D1: <u>100</u>% hourly paid workers D2: <u>0</u>% salaried workers</p> <p>Payment cycle: D3: <u>0</u>% daily paid D4: <u>0</u>% weekly paid D5: <u>100</u>% monthly paid D6: <u>0</u>% other D7: If other, please give details</p>	

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4 groups of 5 employees
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3 D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaint was raised during the interview.
I: What did the workers like the most about working at this site?	Wages were always paid on time. The facility management was kind to them. The working environment was comfortable.
J: Any additional comment(s) regarding interviews:	Most employees enjoyed working at this facility, they felt they had sufficient wage and had a good relationship with management in general.
K: Attitude of workers to hours worked:	They stated that the overtime work was voluntarily, and they were satisfactory with the working hours.
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes	

<input type="checkbox"/> No L1: If yes, please give details: There was an annual worker satisfaction survey conducted by management in the facility. Auditor saw records and improvement made.
M: Attitude of workers: <i>(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</i>
26 employees were randomly selected for interview; they were interviewed as 4 groups of 5 employees and the balance of 6 employees were interviewed individually. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility 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 relationship 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 adopted. They were able to complain directly to their supervisors and felt free to give their general concerns to their worker representatives who would take it to the management.
N: Attitude of worker's committee/union reps: <i>(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</i>
One worker committee representative and one union representative were interviewed, and they stated that they were favourable with the management and facility environment. No negative information was raised. The worker committee rep and the union rep were happy with the management, working conditions, and she stated that they could give suggestions on all parts of the site's practices.
O: Attitude of managers: <i>(Include attitude to audit, and audit process. Both positive and negative information should be included)</i>
The management was open and cooperative throughout the process of the audit. The audited facility designated several management staff to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to several different management staff, and these assigned persons completed their assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour and locked areas encountered during the audit were unlocked timely. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. Photos taking of the facilities and copies' keeping of the samples of the reviewed documents were also permitted by the facility management. In the closing meeting, the management agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP (Click here to return to summary of findings)
<p>0.A. Guidance for Observations</p> <p>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.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Current Systems and Evidence Examined <i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i>
<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The facility's Human Rights Policy was endorsed by Mr. Zhu Jirong / HR Manager. The facility communicated Human Rights Policy to all appropriate parties including its own suppliers through providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps. 2. There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. The designated person for it was Mr. Zhu Jirong / HR Manager. 3. According to worker interviews, management interviews and the facility's regular assessment and measurement of its direct, indirect and potential human rights impacts on its stakeholders, the facility had no adverse impact of human rights on its stakeholders. 4. The facility had established a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for its employees and other stakeholders to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designated person for it was Mr. Zhu Jirong / HR Manager. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p>

1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. The posters and trainings records about Human Rights Policy.
4. The facility's written Human Rights Policy; Human Rights Policy Compliance Commitments from its appropriate parties.
5. The designation paper for person responsible for implementing standards concerning Human Rights in the facility.
6. The assessment and measurement reports regarding its direct, indirect and potential human rights impacts on its stakeholders.

Any other comments:
None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. Please give details: Name: Mr. Zhu Jirong Job title: HR manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility had established a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for its employees and other stakeholders to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designated person for it was Mr. Zhu Jirong / HR Manager.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>

<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible persons (i.e. financial and HR staff). And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised persons (i.e. financial and HR staff).</p>
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Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: None observed</p> <p>Local law or ETI/Additional elements / customer specific requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

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: __8__ %	A2: This year __8__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	8%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __7__ %	C2: This year __7__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	7%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accidents records were provided to review and it showed no accident happened in past 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers
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0B: Management system and Code Implementation (Click here to return to summary of findings)
<p>0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>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</p> <p>0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.B.4 Suppliers are expected to communicate this Code to all employees.</p> <p>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.</p>

Current Systems and Evidence Examined <i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i>
<p>Current systems:</p> <ol style="list-style-type: none"> 1.The facility implemented and maintained systems for delivering compliance to this Code. A CSR manual was created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements. There was an internal audit team for internal audit of the social standards of the facility and they reported their findings to Mr. Zhu Jirong / HR Manager. 2.The facility was operating legally and had the correct & valid business license. The facility had provided the valid land using permit and the property ownership certificate of the facility building for reviewing. 3.The appointed senior management responsible for compliance with the Code was Mr. Zhu Jirong / HR Manager. 4.The facility communicated the code to all workers by regular trainings. 5.The facility communicated the CSR code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the facility also conducted social compliance assessments for its suppliers annually. But the facility did not communicate this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain. 6.Implementation of any necessary changes is then given to the individual department heads after agreement with the facility manager. 7. The facility obtained the recognised system certifications of ISO 9001:2015 (certificate no.:15/18Q6608R61; valid date: from 21 June 2018 to 5 May 2021) and ISO 14001:2015 (certificate no.: 15/18E6609R41; valid date: from 21 June 2018 to 4 May 2021). <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1.The CSR manual; Appointment papers for compliance responsible persons; internal audit documents (e.g. annual audit reports) from the internal audit team; management system certificate. 2.Business license; the land using permit and the property ownership certificate of facility building. 3.The appointment paper for the senior management responsible for compliance with the Code 4.Training records for workers

5. Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers
 6. Management interview and worker interview

Any other comments:
 None

Management Systems:	
<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No fine or prosecution for non-compliance to any regulation was found in the last 12 months in the facility.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had set up and implemented procedures of no forced labour, no child labour and no discrimination, harassment & abuse in the facility. One manager was appointed to take responsibility for the complement of these policies, such as when hiring employee, the ID card was needed to check the ages of employees. Male and female employees are on the same pay grade etc. Relevant training was provided for workers.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Through employment contract and ID copies review, no child labor under the age of 16 years old employed. Through the employee interview, all interviewees stated that they were free to move in the facility and they were paid based on their work experience and skills. The management were all nice to them.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Training about no forced labour, non-child labour, none discrimination and non-harassment & abuse was provided by the facility when new employees come in. Managers were also required to participate such training yearly.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Regular training records were provided for review, the latest training was held on 8 November 2019. The workers were aware clearly of the facility's relevant policies and procedures about forced labour, child labour, discrimination,</p>

	harassment and abuse according to the interviews.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: The facility obtained the recognised system certifications of ISO 9001:2015 (certificate no.:15/18Q6608R61; valid date: from 21 June 2018 to 5 May 2021) and ISO 14001:2015 (certificate no.: 15/18E6609R41; valid date: from 21 June 2018 to 4 May 2021).
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: The facility had Human Resources department which in charge of the recruitment of workers, assignment of employees' post, etc. and Mr. Zhu Jirong / HR Manager was available in the facility and present in the audit.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The appointed senior management responsible for compliance with the Code was Mr. Zhu Jirong / HR Manager.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible persons (i.e. financial and HR staff). And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised persons (i.e. financial and HR staff).
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	<p>K1: Please give details: During document review and management interview, auditor noted that the facility conducted risk assessment (management review) yearly to evaluate the current policy and procedure and made any modification based on the output. The last risk assessment (management review) was conducted on 30 August 2019. These include worker satisfaction surveys.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>L1: Please give details: There was an internal audit team for internal audit including risk assessment of the social standards of the facility and they reported their findings to Mr. Zhu Jirong / HR Manager. Implementation of any necessary changes was then given to the individual department head after agreement with Mr. Zhu Jirong / HR Manager.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>M1: Please give details: The facility had its supplier selecting policy and procedure to ensure all suppliers were in compliance with the labour standards and this code. The facility communicated the CSR code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the facility also conducted social compliance assessments for its suppliers annually.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>N1: Please give details: The site had all required land rights, licences and permission such as house property certificate, the valid land using permit.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>O1: Please give details: The facility had appointed a person conducted due diligence about the national laws and practices relating to land title through visiting government's website, consulting the government officials and verifying the legal documents of the land. A person was appointed to be responsible for updating the applicable law lists and conduct internal audit for this point.</p>

<p>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</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The facility had written policy and procedure specific to the land rights. The facility had conducted due diligence to obtain free, prior and informed consent through visiting government's website, consulting the government officials and verifying the legal documents of the land. A person was appointed to be responsible for updating the applicable law lists and conducting internal audit for this point.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The land was bought from the local government before constructing the facility buildings. The facility had provided the valid land using permit and the property ownership certificate of the facility buildings for reviewing.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable, the facility did not have plan of land acquisition.</p>
<p>S: Is there any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No illegal appropriation of land for facility building or expansion of footprint.</p>

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

Observation:

<p>1. Description of observation: Not communicating this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain. Through document review and management interview, auditor found that the facility did not communicate this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain.</p> <p>Local law or ETI requirement: Local law: no local law applies</p> <p>ETI 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.</p> <p>Comments: It was recommended that the facility should communicate this ETI Code to their own suppliers and extend the principles of this Ethical Code through their supply chain.</p>	<p>Objective evidence observed:</p> <p>Document review Management interview</p>
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Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

1: Freely Chosen Employment

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
- 2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
- 3. The employing handbook-given to all workers on joining, stated that workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
- 4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours, the rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search.
- 5. The factory did not require any payment for work tools, PPE, IC/staff card, training, etc.
- 6. The factory did not use prison labour.
- 7. The above was confirmed in management and employee interview.

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

Details:

- 1. Contracts for security guards
- 2. Resignation records of recent 12 months
- 3. Factory rules
- 4. Employee handbook
- 5. Management and employee interview

Any other comments:

None

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: there is no any restriction on workers' freedom to terminate employment. Workers are free to leave with 3 days' prior written notice within their probation period and can resign with one month's prior written notice after the probation period; the resigned workers will be given their full wages on their last day of work.</p>
<p>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'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: Not applicable (the audited facility was not UK based or registered and turnover was less than 36m+, so modern day slavery statement was not required for the audited facility) Remark: There was no any restriction on workers' freedoms to leave the site at the end of the work day. According to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day.</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Not applicable Remark: There was no any restriction on workers' freedoms to leave the site at the end of the work day. According to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: According to the document review and management interviews, there was no risk of forced / trafficked / bonded labour in its supply chain.</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	H1: Please describe finding: Remark: According to the document review and management interviews, the site had relevant procedural documents and policy to reduce the risk of forced / trafficked labour.
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Not applicable</p>

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

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There was one union at the site with 7 union representatives. The union representative conducted meetings quarterly and the latest meeting was conducted on 15 October 2019. One union representative was present at the audit.
- 2. One worker committee with 2 worker representatives was established in the factory. The worker representative conducted meetings quarterly and the latest meeting was conducted on 15 October 2019. One worker representative was present at the audit.
- 3. The interviewed workers confirmed that they were free to join trade union or workers' organization and enjoy the right to collective bargaining.
- 4. Employee interview confirmed that the members of the worker committee and union committee had been elected by fellow employees, and the facility did not interfere in their activities, and did not discriminate the worker representatives or union representatives.
- 5. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organization and enjoyed the right to collective bargaining, and nobody would be treated differently if they are members of the trade union or workers' organization, etc.
- 6. The response records for workers' suggestions and appeals were available for review.

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

Details:

- 1. Policy of freedom of association
- 2. Policy about suggestions and appeals date on September 2018
- 3. Worker/union representatives' selection records and meeting records
- 4. Response records for workers' suggestions and appeals
- 5. Interviews with worker representative, management and workers

Any other comments:

None

<p>A: What form of worker representation/union is there on site?</p>	<input checked="" type="checkbox"/> Union (name) Zhejiang Reaching Kayo Textile & Garment Co., Ltd. union <input checked="" type="checkbox"/> Worker Committee Zhejiang Reaching Kayo Textile & Garment Co., Ltd. Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None	
<p>B: Is it a legal requirement to have a union?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>C: Is it a legal requirement to have a worker's committee?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Through EHS committee representatives, telephone, suggestion box, and their team leaders or above, etc. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No During employee interview, worker /union representation was elected by employees freely.	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility had conducted worker committee/union meeting regularly to reporting and discussing the worker's complaint and advise.	
<p>F: Name of union and union representative, if applicable:</p>	<p>Zhejiang Reaching Kayo Textile & Garment Co., Ltd. union with 7 union members (Mr. Zhu Jirong, Mr. Teng Zhangcai, Mr. Shen Yiping, Mr. Zhang Youliang, Ms. Shi Xiaojin, Ms. Xing Jinjuan and Mr. Gao Hongjun).</p>	<p>F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>Workers committee: A worker's committee in place with 2 worker members elected by the workers to represent each section of the factory. Currently there were 2 active members of the worker committee.</p>	<p>G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Mr. Qian Chunbo and Ms. Qiu Meiyong were the worker representatives.</p>

		Mr. Zhu Jirong, Mr. Teng Zhangcai, Mr. Shen Yiping, Mr. Zhang Youliang, Ms. Shi Xiaojin, Ms. Xing Jinjuan and Mr. Gao Hongjun were the union representatives.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: September 2018
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One worker representative and one union representative were interviewed during the audit.	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Yes. There were meeting minutes of the union/workers committee confirmed that they would meet with management once per 3 months. The latest union/worker committee meeting was conducted on 15 October 2019 about Human rights issues with employee feedback collection and work environment. The meeting minutes were posted on the notice boards.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable No Collective Bargaining Agreement in the facility.	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA Not applicable No Collective Bargaining Agreement in the facility.	M2: ____% workers covered by worker rep CBA Not applicable No Collective Bargaining Agreement in the facility.
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable No Collective Bargaining Agreement in the facility.	

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

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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective evidence observed: Not applicable</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management

- Mr. Zhu Jirong / HR Manager was responsible for Health & Safety issues in the site.
- Potable water was freely available in all areas and test certificates were up-to-date.
- Sufficient clean toilets segregated by gender were available at all times to employees.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings showed that there were monthly meetings between the workers and the Facility Director, and each point was acted on.
- Accident reports were available for review.
- The facility provided the training records / certificate of safety production knowledge and management skill of the principal in charge and persons for the management of work safety for review.

2. Fire Safety

- There were at least 2 exits from each work area and these were clearly marked.
- Firefighting equipment was adequate and checks were up-to-date.
- Fire drills were organized and recorded every 6 months.
- Training had been given by the local fire department and fire marshals had been specially selected for extra training.
- Evacuation diagrams were posted in all areas and understood by all workers interviewed.
- The open directions of the safety exit doors were adequate.
- Evacuation routes were designed well with yellow lines and unblocked.
- Evacuation plans were posted at each safety exit and understood by all interviewed workers.

3. Electrical safety

- There was a competent electrician at the site and the certificate was available for review.
- All electrical equipment were in good condition such as sockets, plugs, switches and main fuse boards.

4. Chemical safety

- Only machine oil used by the facility was correctly labelled.
- Employees in the workshop where chemicals were used confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

- Adequate PPE such as masks and gloves were provided to the workers exposed to chemicals.
- Material Safety Data Sheets were available in all workplaces with chemicals.
- Secondary containment was available for relevant chemicals.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 25 first aiders and they had been trained at a local hospital.

6. Machine Safety

- Protective devices were installed for the dangerous parts of the machines.
- The registration certificates and annual inspection reports of 4 cargo lifts were provided for review.
- The facility provided the safety management certificate of the cargo lift for review.

7. Kitchen and canteen hygiene conditions

- Health certificates of 5 kitchen staffs were provided for review.
- Food Operation Permit for the kitchen.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records on 20 May 2019 & 15 November 2019
- Trained first aider register on June 2017 with 3 years valid period
- Accident reports
- Potable water testing certificates issued in 10 December 2019
- Interviews with Administration Manager and Internal Audit Supervisor.
- Interviews with employees and H&S committee members

Any other comments:
None

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: All employees receive regular and recorded health & safety training such as fire drill.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: the policies included in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No such structural addition.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details:</p>

	All visitors would be provided with personal protective equipment when they were on the site with Occupational hazards area.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room or medical facility was provided for the workers and there was no such legal requirement for the facility.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There was no doctor or nurse in the facility and doctor or nurse were also not required legally for the facility. There were 25 first aiders who had been trained at a local hospital and there were first aid kits with adequate first aid supplies on all facility floors, so the workers were easy access to first aid and first aider.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Not applicable, no transport was provided by facility.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal storage space was provided for workers in their living space and was fit for purpose.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility had conducted internal social assessment on 24 August 2019 and take measures to conduct the preventative and corrective actions.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility had obtained the environment impact assessment report, environmental impact approval and environmental protection acceptance check.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The site had a copy of the banned substances list from its customer and was meeting those requirements.

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Part of goods was stored against the wall and pillar. During facility tour, auditor found that part of raw materials and finished goods in warehouse were stored against the wall and pillar.</p> <p>Local law and/or ETI requirement Local law: In accordance with General Rules for Fire Safety Management of Storage Occupancies GA1131-2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.</p> <p>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.</p> <p>Recommended corrective action: It was recommended that the facility should ensure all goods are properly stored in warehouse to leave proper distance from the wall and pillar.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) 1. Facility tour Refer to NC Photo 1 and NC Photo 2</p>
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No occupational health examination was provided to one cleaning employee. During facility tour, auditor found that one employee was working in cleaning workshop on 4/F of one 4-storey building with noise. However, no periodic occupational health examination was arranged for the employee.</p> <p>Local law and/or ETI requirement Local law: In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the</p>	<p>Objective evidence observed: (where relevant please add photo numbers) 1. Facility tour 2. Document review 3. Management interview</p>

occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practising Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council.

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

Recommended corrective action:

It was recommended that the facility should provide occupational health examination to the relevant employees who work with occupational hazards according to legal requirements.

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

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

4: Child Labour Shall Not Be Used

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers; and the facility would never employ and use any child labour under the age of 16 years old.
2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
3. There was a written child labour remediation procedure though there was no child labour in the facility.
4. The written worker roster was available.
5. The worker's personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 18 years old.
6. Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.

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

Details:

- Personnel files of all employees
- Latest list of employees
- Records of any health checks
- Management and employee interview

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	18 years old

C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? <i>(Go to clause 3 - Health and Safety)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A. No worker under 18 years old

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

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

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The local minimum wage standard was set at RMB 1800 per month equivalent to RMB 10.34 (1800/21.75/8) per hour since 1 December 2017.
2. All employees' wages were calculated by hourly rate. Based on provided payroll records, the minimum wage paid by the facility was RMB 10.34 per hour.
3. The wages formation was well organized with a good controlled set of processes which were understood by all employees.
4. All employees were 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 were paid.
5. Benefits of paid and annual leave were given to all employees.
6. All social insurance payments were passed on to the relevant authorities in a timely manner.
7. All employees were paid in the end of each month by bank autopay and each employee was given a pay slip and signed for their wages.
8. Through document review and facility tour, no inconsistency was found between production records and provided attendance records.

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

Details:

1. Document review
2. Employee interview
3. Local and national laws
4. Wages and benefits policy
5. Local legal minimum wage documents
6. Payroll records from December 2018 to November 2019 and attendance records from 1 December 2018 to 12 January 2020 were reviewed.
7. Leave records
8. Social insurance and payment receipts from the local labour department
9. Labour contracts for all employees (to examine agreed wage rates)
10. Resignation records
11. Pay slips of all employees interviewed

12. Quality and production records to cross check hours

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Insufficient social insurance participated. Through document review, auditor found that based on the social receipt of November 2019, out of total 454 employees in November 2019 (including 45 retired employees), only 387 employees had participated in maternity insurance, basic medical insurance, unemployment insurance, basic endowment insurance and employment injury insurance. In addition, the facility provided commercial group accident insurance to 45 retired employees from 1 October 2019 to 30 September 2020 and employer liability insurance to the rest 22 employees from 15 July 2019 to 14 July 2020.

Local law and/or ETI requirement:

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

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

Recommended corrective action:

It was recommended that the facility should ensure all employees participate in all 5 type social insurances as soon as possible.

Objective evidence observed:

(where relevant please add photo numbers)

Document review (such as social insurance receipt) and management interview

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

Not applicable	
Comments: Not applicable	

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day, 40 hours	A1: 8 hours per day, 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility.
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: 0-3 hours/ day in November 2019 (current month) 0-3 hours/ day in August 2019 (random month) 0-3 hours/ day in April 2019 (random month) 0-11 hours/week in November 2019 (current month) 0-11 hours/week in August 2019 (random month) 0-11 hours/week in April 2019 (random month) 30-49 hours/month in	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility.

		November 2019 (current month) 0-49 hours/month in August 2019 (random month) 8-41 hours/month in April 2019 (random month)	
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: The local minimum wage standard was set at RMB 1800 per month equivalent to RMB 10.34 (1800/21.75/8) per hour since 1 December 2017.	C1: RMB 10.34 per hour in November 2019 (current month).	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility.
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 1) No less than 150% of the normal wages for overtime working on normal weekdays; 2) No less than 200% of the normal wages for overtime working on rest day if no deferred rest can be taken; 3) No less than 300% of the normal wages for overtime working on statutory holidays.	D1: Employees were paid at least 150% and 200% rate of normal wage for overtime hours in normal workdays and rest days respectively, and no overtime hours in public holidays observed.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No CBA in the facility.

Wages analysis: <i>(Click here to return to Key Information)</i>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If No , why not?	Not applicable		
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months - should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	26 samples from November 2019 (current month) 26 samples from August 2019 (random month) 26 samples from April 2019 (random month)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details: NA	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details: NA	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 10.34 per hour in November 2019 (current month).	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: _100___% of workforce earning minimum wage F3: ___% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: RMB 533.5-3235.5 per month for Attendance bonus/ Meal allowance/ Seniority subsidies/ Bonus. <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance: pension, unemployment, maternity (where applicable), sickness and injury Individual income tax Water rate and electricity fee for some employees living in dormitory.		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Social insurance fee 2. Water rate and electricity fee. Please describe: Social insurance fee and water rate

			and electricity fee were deducted from the wage.
		I2: Please list all deductions that have not been made.	1. Personal income tax 2. N/A Please describe: Personal income tax was paid by the facility.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> 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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: All time worked were paid.		
M: Is there a defined living wage: <i>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.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: The facility had not defined living wage, regular wages were paid above minimum wages standard.		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: Not applicable, there was no defined living wage		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Facility conducted twice internal audit per year to check the compliance of wages.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No During employees' interview and document review, all employees were paid in the end of each month.		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

	P1: Please give details: Through factory rules review, payroll records review and employee's interview, it was confirmed that equal rates were being paid for equal work.
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. During employee interview, all the 26 randomly selected employees stated that they worked overtime on voluntary basis.
2. The facility used electronic attendance system (IC cards) to keep all employees working hours and then based on the attendance records to calculate wages.
3. In this audit, auditor had randomly selected production record, such as: material in/out records, daily production reports, and crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted either.
4. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week and no overtime on holidays. At least one day off per week was provided for all employees.
5. Based on the provided records, overtime working hour statistics were as the followings:
 0-3 hours/ day in November 2019 (current month)
 0-3 hours/ day in August 2019 (random month)
 0-3 hours/ day in April 2019 (random month)

0-11 hours/week in November 2019 (current month)
 0-11 hours/ week in August 2019 (random month)
 0-11 hours/ week in April 2019 (random month)

30-49 hours/month in November 2019 (current month)
 0-49 hours/month in August 2019 (random month)
 8-41 hours/month in April 2019 (random month)

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

Details:

1. Employee interview
2. Management interview
3. Local and national laws
4. Facility policy on working hours
5. Time records in electronic keeping system
6. Sample pay slips with recorded hours all employees interviewed
7. Employees contracts
8. Attendance records from 1 December 2018 to 12 January 2020 were reviewed.
9. Quality and production daily records to cross check hours

Any other comments:
 None

Non-compliance:

1. Description of non-compliance:

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

Overtime hours exceeded the legal requirement. Through document review, auditor found that: 1) The monthly overtime hours of 24 out of 26 randomly selected employees were 41-49 hours in November 2019 (current month); 2) The monthly overtime hours of 19 out of 26 randomly selected employees were 49 hours in August 2019 (random month); 3) The monthly overtime hours of 22 out of 26 randomly selected employees were 38 -41 hours in April 2019 (random month).

Local law and/or ETI requirement:

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

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

Objective evidence observed:

(where relevant please add photo numbers)

Document review

<p>Recommended corrective action: It was recommended that the facility should reduce the overtime hours to ensure the monthly overtime hours to be within 36 hours per month to meet the legal requirement.</p>	
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

Working hours' analysis		
<p>Please include time e.g. hour/week/month (Go back to Key information)</p>		
Systems & Processes		
A. What timekeeping systems are used: time card etc.	Describe: The facility used electronic attendance system (IC cards) for time keeping.	
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details	
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A
	<input type="checkbox"/> Yes	D1: If YES, please complete as appropriate:

D: Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> No <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other	If "Other", Please define:
		NA
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: NA
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Maximum number of days worked without a day off (in sample):
		6 days Maximum number of days worked without a day off in the attendance samples: 6 days in November 2019 (current month); 6 days in August 2019 (random month); 6 days in April 2019 (random month).
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 3 OT hours/ day in November 2019 (current month) 3 OT hours/ day in August 2019 (random month) 3 OT hours/ day in April 2019 (random month) 11 OT hours/week in November 2019 (current month) 11 OT hours/ week in August 2019 (random month) 11 OT hours/ week in April 2019 (random month)	

	49 OT hours/month in November 2019 (current month) 49 OT hours/month in August 2019 (random month) 41 OT hours/month in April 2019 (random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	_52.6_%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Through employee interview, all interviewed employees stated that overtime was voluntary, and they were free to refuse the overtime work.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: Employees were paid at least 150%, 200% of normal rate on normal workdays and rest days respectively. No overtime in official public holidays was observed, but if overtime working is arranged on official public holidays, 300% of normal wages will be paid to employees as per facility's policy and the statement of facility management.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% workers paid at a premium monthly
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other NA	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	NA	

<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <p>NA</p> <hr/> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>NA</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Q1: If yes, please give details: Trough management review, it was noted that overtime hours were being used for extended periods to make up for increased order volumes.</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. Equal pay for equal job in the facility.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
6. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
7. There was no evidence of sexual harassment.
8. No document showed any differential treatment to different workers, constituting discriminating.

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

Details:

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

Any other comments:

None

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: <u>51</u> % A2: Female: <u>49</u> %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>45 women in skilled or technical roles e.g. machine controllers and group leader.</p>

<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: NA, none observed
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Professional Development	
<p>A: What type of training and development are available for workers?</p>	Employee handbook and factory rules training, EHS training, fire safety training, chemical training, machine operating training, benefit and working hours etc.

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details:
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Not applicable</p>

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

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
2. The facility signed labour contracts with the employees within one month, and all interviewed employees stated that they kept a copy of labour contracts by themselves.
3. All employees received pay slips in their own language when they were paid.
4. 3 subcontractors were used.
5. The effective management system was in place to identify and monitor the hiring and management of all workers. The local workers and migrant workers were hired legally and treated equally in the facility.
6. No temporary worker and apprenticeship scheme existed in the factory. No home-working existed in the factory.
7. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc.
8. The labour contracts of all workers were available for review. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

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

Details:
 -The Recruitment and termination practices
 -Personal files with labour contracts and ID copies for the employees
 -Payroll records were provided for review.
 - Trainings records about the recruitment policy and procedure.
 - Management interview and worker interview

Any other comments:
 None

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

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

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

Responsible Recruitment

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

understand them and are they same as current conditions?	A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: Remark: Workers were clear about all the terms and conditions of their employment. Newer workers realised that they were being paid the same as other workers.
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected: NA
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: NA
D: If any checked, give details:	Not applicable (workers need not pay any fee, taxes, deposit or bond at any stage of the employment)

<p>Migrant Workers:</p> <p><i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i></p>	
A: Type of work undertaken by migrant workers:	Migrant employees worked in all production processes and non-production post.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0 Not applicable, no agency was used.

<p>C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable, no such deduction.</p>	<p>C2: Observations: Not applicable (there was no such kind of deduction from the workers' wages)</p>
<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: If yes, number and example of roles: There were 13 migrant employees who were working in skilled, technical and management roles such as production department supervisor and technician.</p>	

NON-EMPLOYEE WORKERS

<p>Recruitment Fees:</p>	
<p>A: Are there any fees?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable. No non-employee worker.</p>
<p>B: If yes, check all that apply:</p>	<p><input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other</p> <p>B1 – If other, please give details: Not applicable, no fees required</p>
<p>C: If any checked, give details:</p>	<p>Not applicable, no fees required</p>

Agency Workers (if applicable)

<p><i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i></p>	
A: Number of agencies used (average):	A1: Names if available: Not applicable, site does not use agencies
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site does not use agencies
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site does not use agencies
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Not applicable, site does not use agencies
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Not applicable, site does not use agencies

<p>Contractors: <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details: N/A
B: If Yes , how many workers supplied by contractors?	Not applicable, No contractor on site
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable, No contractor on site
D: If Yes , please give evidence for contractor workers being paid per law:	Not applicable, No contractor on site

8A: Sub-Contracting and Homeworking

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Site had completed most production processes (excepted embroidery /dyeing and printing /garment washing).
2. There were 3 subcontractors were used by the facility and no contractor or homeworking was used by the facility.
3. The facility had established a policy to ensure sub-contracting would be controlled but without written approval of sedex (Client).

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

1. Site tour (Calculation on total production and estimated capacity)
2. Reviewing of the production records such as materials receiving and issuing records
3. Management interview
4. Worker interview

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

Process Subcontracted	Embroidery	Dyeing and printing	Garment washing
Name of factory	Shengzhou City Shudong Computer Embroidery Factory.	Zhejiang Guandong Printing and Dyeing Garment Co., Ltd.	Hangzhou Yuejin Textile Co., Ltd.
Address	Chengguan Town, Shengzhou City, Zhejiang Province.	Chengbei Industrial Park, Shengzhou City, Zhejiang Province.	Erhao Qiao, Xin Street, Xiaoshan District, Hangzhou City, Zhejiang Province.

Details: NA

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Subcontracting without approval. During facility tour and management interview, auditor found that the production processes of embroidery /dyeing and printing /garment washing were subcontracted to below facilities but without written approval of client. 1) Facility Name: Shengzhou City Shudong Computer Embroidery Factory. Address: Chengguan Town, Shengzhou City, Zhejiang Province. Process Type: Embroidery Tel: 86-13732451881 Contact person: Mr. Guo Rudong Email: Not provided 2) Facility Name: Zhejiang Guandong Printing and Dyeing Garment Co., Ltd. Address: Chengbei Industrial Park, Shengzhou City, Zhejiang Province. Process Type: Dyeing and printing Tel: 86-13306856318 Contact person: Mr. Zhang Yaliang Email: Not provided 3) Facility Name: Hangzhou Yuejin Textile Co., Ltd. Address: Erhao Qiao, Xin Street, Xiaoshan District, Hangzhou City, Zhejiang Province. Process Type: Garment washing Tel: 86-15857197676 Contact person: Mr. Jiang Dong Email: Not provided Remark: The facility stated that no above processes were used for products of the client. Local law and/or ETI /Additional Elements requirement: Local law: no local law applies ETI 8A.1: There should be no sub-contracting unless previously agreed with the main client. Recommended corrective action: It was recommended that the facility should inform all subcontractors being used to the client and obtain the approval.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Facility tour Management interview Document review</p>
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Observation:	
<p>Description of observation: Not observed</p> <p>Local law or ETI/Additional elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:

Description of Good Example (GE): Not observed	Objective Evidence Observed: Not applicable
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Summary of sub-contracting – if applicable	
<input type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: During calculation, no unrecorded work hours or undeclared sub-contracting was noted. Site had completed most production processes (excepted embroidery /dyeing and printing /garment washing). 3 subcontractors were used.
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If Yes , summarise details:
C: Number of sub-contractors/agents used:	3
D: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details: The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main clients.
E: What checks are in place to ensure no child labour is being used and work is safe?	Through document review and management interview, auditor noted that the facility communicated with their suppliers and subcontractors to be compliant to basic human rights and local laws.

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

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

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

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
 Additional elements:
 9.2 companies should provide access to a confidential grievance mechanism for all workers

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

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> 1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure. 2. As per management interview, document review and employees' interview, there was a policy on Harsh Treatment. 3. There was an internal process for grievance, which was an anonymous email address, where employees can report grievances (harassment, bullying, discrimination etc.), any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system. 4. Through employee interview, no Harsh or Inhumane Treatment occurred in the facility. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ol style="list-style-type: none"> 1. The relevant policy on prevention of harassment and abuse 2. Internal grievance procedure documentation. 3. Training records 4. Management and employee interview <p>Any other comments: None</p>

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

Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

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

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

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

Per document review, facility management representation and employee interview, 350 employees were local residents and 104 employees was from other provinces (Guizhou Province, Anhui Province and etc.) of China. All employees had the proper legal rights to work in this region. The youngest age was 18 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.

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

Details:

- 1. Hiring procedure
- 2. Personnel files
- 3. Employee handbook
- 4. Management and employee interview

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 - NC against customer code:
- None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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<p align="center">Good examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

10. Other issue areas 10B2: Environment 2–Pillar
(Click here to return to summary of findings)
 To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.
 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. *Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.*

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

Current systems:
 1. The facility established the environmental protection policy.
 2. The facility had obtained the Environment Impact Assessment report, approval and environmental protection acceptance check report.
 3. No waste water or waste gas was discharged by the production process.
 4. The facility conducted the training for all employees on the avoidance of environmental impact.
 5. Mr. Zhu Jirong / HR Manager was appointed responsible for environmental issues.
 6. The facility had not been subject to (or pending) any fines/prosecutions for non-compliance to environmental regulations.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
 Details:
 1. Environmental protection policy, environmental pollution emergency plan and environment training record were provided for review.
 2. Energy bills and water bills
 3. Management interview, employee interview and facility tour

Any other comments:
 None

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

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

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

Other findings

Other Findings Outside the Scope of the Code
None observed

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

Appendix 1

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

Not Applicable please x

Photo Form




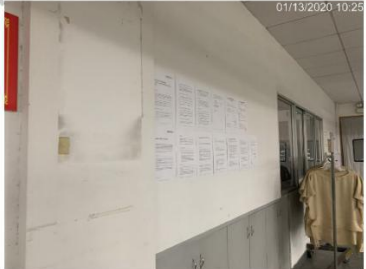








NC Photos

		
<p>NC photo 1: Part of goods was stored against the wall and pillar.</p>	<p>NC photo 2: Part of goods was stored against the wall and pillar.</p>	

General photos

		
<p>Facility name</p>	<p>Facility gate</p>	<p>Facility buildings</p>

		
<p>Facility name</p>	<p>Attendance recording machine</p>	<p>Dormitory building</p>

		
Kitchen	Canteen	Dormitory room
		
Bulletin	No smoking sign	Suggestion box
		
Evacuation map	Fire alarm	Smoke detector
		
Safety exit sign and emergency light	Fire extinguishers	Fire hydrant

<p>Toilets</p>	<p>Cargo lift</p>	<p>First aid kit</p>
<p>Drinking water</p>	<p>Raw material warehouse</p>	<p>Cutting workshop</p>
<p>Cutting employee wore metal gloves</p>	<p>PPE wearing warning sign</p>	<p>Sewing and ironing workshop-1</p>

Sewing and ironing workshop-2	Finishing workshop (including handwork and button attaching)	Inspection and Packing workshop-1
		
Inspection and Packing workshop-2	Sample making workshop	Needle inspecting machine
		
Finished products warehouse	Chemical storage area	Electrical box with warning sign
		
Accessories warehouse		

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