



SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details				
Sedex Company Reference: (only available on Sedex System)	ZC: 403341603	Sedex Site Reference: (only available on Sedex System)	ZS: 403382760	
Business name (Company name):	DEHUA XINGYE CERAMICS SCIENCE AND TECHNOLOGY CO.,LTD.			
Site name:	DEHUA XINGYE CERAMICS SCIENCE AND TECHNOLOGY CO.,LTD.			
Site address: (Please include full address)	NO.5, Xunzhong Road, XunzhongTown, Dehua, Quanzhou, Fujian	Country:	China	
Site contact and job title:	Ms. Xiuchuan WU, vice general manager			
Site phone:	86-595-23520818	Site e-mail:	Xytclinyiming168@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	18 th to 20 th March, 2021			

Audit Company Name & Logo:  Bureau Veritas	Report Owner (payer): DEHUA XINGYE CERAMICS SCIENCE AND TECHNOLOGY CO.,LTD.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) 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. Wenjiao ZHU (APSCA number: 21702877)

Team auditor: None

Interviewers: Ms. Wenjiao ZHU (APSCA number: 21702877)

Report writer: Ms. Wenjiao ZHU (APSCA number: 21702877)

Report reviewer: Sapana VICHARE

Date of declaration: 25th March, 2021

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

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

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 17:30	Day 2 Time in: 09:00 Day 2 Time out: 17:30	Day 3 Time in: 08:00 Day 3 Time out: 12:00
B: Number of auditor days used:	1 auditor * 2.5 days = 2.5 man days on site and 0.5 man day off site		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Xiuchuan WU, vice general manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	9 th -11 th March, 2020		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	NA		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no trade union in the company.		

Corrective Action Plan

Corrective Action Plan – non-compliances- Local Law									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification on Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/ Closed or comment</i>
3: Working Conditions are Safe and Hygienic	New	No belt guard was equipped to 2 out of 12 roll pressing machines in 3F slip casting workshop.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: management ignorance	It is recommended to the company to ensure belt guard equipped to all roll pressing machines.	30 days	Desktop	Yes, Ms. Xiuchuan WU, vice general manager		Open
3: Working Conditions are Safe and Hygienic	New	About 20% workers in slip casting area and colour painting area did not wear provided PPE such as masks or gloves etc.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: management ignorance	It is recommended to the company to train and supervise employees to wear provided PPE properly.	30 days	Desktop	Yes, Ms. Xiuchuan WU, vice general manager		Open
3: Working Conditions are Safe and Hygienic	New	Chemical management is not good enough, about 20% chemicals used onsite did not have second container.	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended to the company to provide second container to all chemicals used onsite.	30 days	Desktop	Yes, Ms. Xiuchuan WU, vice general manager		Open

ETI5.1 Wages and Benefits	New	The company purchased all five types of social insurance for only 78 out of 137 employees.	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	Please ensure all employees to participate the social insurance according to the Law.	120 days	Desktop	Yes, Ms. Xiuchuan WU, vice general manager		Open
6. Working Hours	New	The overtime hour was over 36h/m for sampled workers in sampled months – January 2021 and April 2020. 18 out of 26 sampled employees (1 from firing area, 1 from mud making area, 7 from colour painting area, 7 from slip casting area and 2 from packing area) overtime worked for 70 - 72 hours/month in January 2021 and 24 out of 26 sampled employees (1 from firing area, 1 from mud making area, 2 from mould making area, 2 from resin area, 2 from electroplate area, 7 from colour painting area, 7 from slip casting area and 2 from packing area) overtime worked for 72-74 hours/month in April 2020.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input checked="" type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended to the company to ensure the monthly overtime hours not exceeding 36 hours in compliance the code or apply for comprehensive working hours approval from local government.	60 days	Follow up	Yes, Ms. Xiuchuan WU, vice general manager		Open

Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>

		Nothing to report		
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Good examples

Good example Number <i>The reference number of the good example from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
	Nothing to report	

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)
If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.

A: Site Representative Signature:	Ms. Xiuchuan WU	Title: vice general manager Date: 20 th March, 2021
B: Auditor Signature:	Ms. Wenjiao ZHU	Title: auditor Date: 20 th March, 2021
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances: Nil		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
F: Any other site Comments:		

Appendix 1

<p>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."</p> <p><input type="checkbox"/> Not Applicable please x</p>	
<p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<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>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	<p>Mondelēz International's Code of Conduct contains important rules we all must follow as we do business, and it describes the values that will guide us in our decisions. We all have to obey</p>

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 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>applicable laws, rules, and regulations. Also, we must follow our company policies, including those specific to a business unit, function, and location. Beyond that, the Code of Conduct sets out the ten most important rules that apply company-wide. Our Chief Compliance Officer oversees the company's compliance and integrity program, which addresses the issues covered by the Code of Conduct.</p> <p>The Code of Conduct is available on our public internet site, and is available on our company intranet site in several languages.</p> <p>We also have established Corporate Responsibility Expectations for Direct Suppliers, which we make available on our public internet site. These Expectations are an extension of the principles contained in our Code of Conduct, and we cover them through contract provisions that specifically incorporate our corporate responsibility expectations.</p>
ETI 1. Forced Labour	ETI 1. Forced Labour
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>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.</p>	<p>Mondelēz International prohibits the use of forced labor in our operations, i.e., any work or service that a worker performs involuntarily, including under threat of physical harm or other penalty.</p> <p><u>The Mondelēz International Statement on Human Rights</u> guides our approach. And, in line with the California Transparency in Supply Chains Act (SB 657), our website provides more detail on our efforts to help make a difference in our operations and those of our suppliers.</p>
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>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.</p>	<p>We aim to have constructive relationships with our employees and their unions. Mondelēz International respects the interests of its employees to join (or not join) a union. In those situations where our employees have third-party representation, we will work with employee representatives in a direct and straightforward manner.</p>

ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>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>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	<p>We use internal and external expertise to provide a safe work environment. Specifically, we: (i) provide safety training for all employees as required for their work; (ii) establish first aid and medical treatment procedures to provide employees with appropriate care; (iii) conduct careful investigations of accidents to avoid recurrence, and study the safety and health features of any new equipment, materials or process; and (iv) solicit employee involvement and support through safety committees or other avenues for employee input.</p>
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1 There shall be no new recruitment of child labour.</p> <p>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.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	<p>Mondelēz International prohibits the unlawful employment or exploitation of children in our workplace. In accordance with the conventions of the International Labor Organization (ILO) and national laws, the minimum age for employment is the highest of the following ages: (i) 15 years of age, (ii) the local minimum employment age, or (iii) the mandatory schooling age. All temporary workers used by Mondelēz International and all third-party contractors who perform work on our premises are required to meet these minimum-age requirements.</p>
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>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.</p>	<p>Except for collective bargaining at union represented facilities, we compensate employees competitively within the labor market and industries in which we compete; provide superior levels of compensation for superior performance; and focus rewards on individual contributions and business results. Further, we provide equal opportunity for advancement to all of our employees.</p>

<p>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.</p>	
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
<p>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.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p> <p>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.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>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.</p>	<p>We are expected to, by company standards, adhere to local law, and employee negotiated labour and wage contracts, with regards to working hours, to ensure the safety and health of our employees while supporting our business demands.</p>
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised

<p>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.</p>	<p>We prize a diverse and inclusive workplace and aim to promote cultural and individual differences. Mondelēz International does not discriminate in employment or employee treatment based upon any of the following characteristics: race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.</p>
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>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.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>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.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	<p>We are expected to, by company standards, adhere to local law, industry practices, and employee negotiated labour and wage contracts with regards to labour contracting, while supporting our business demands.</p>
8A: Sub-Contracting and Homeworking	8A: Sub-Contracting and Homeworking
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p>	

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
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	Mondelēz International will not tolerate any form of harassment including harassment based on race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
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.	We are expected to, by company standards, adhere to local law and applicable contracts with regards to contract labor.
SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
B.4. Compliance Requirements 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).	We are expected to, by company standards, adhere to applicable laws. We work to continuously improve our environmental performance by setting and then working toward quantifiable goals that reduce the environmental impact of our activities.

<p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p>B4. Guidance for Observations</p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
<p>Business Practices Section</p>	
<p>10C. Compliance Requirements</p> <p>10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.</p> <p>10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.</p> <p>10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.</p> <p>10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.</p> <p>10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,</p> <p>10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics</p> <p>10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.</p> <p>10C. Guidance for Observations</p> <p>10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business</p>	<p>We promote honesty and integrity in our business conduct by raising ethical awareness among our employees and providing direction and education on ethical issues. Further, we prohibit bribes, kickbacks, or and any other illegal inducements in business or government relationships.</p> <p>We expect employees to ask questions and raise concerns about business practices when they see something they think might be wrong. There may be times when employees are not comfortable speaking with their supervisors, compliance officers or human resources contacts, or simply wish to remain anonymous. Consistent with applicable local law, we have a toll-free and in some countries a collect call/reverse charge telephone Helpline and an online version WebLine, so that our employees can confidentially and, if they wish, anonymously report instances of suspected wrongdoing or ask questions about compliance matters. Our Helpline operates in more than 90 countries.</p> <p>As described on our public internet site, reports from people outside of the company of suspected wrongdoing may also be brought to our attention in four ways: (1) by mail; (2) by email; (3) through our Helpline; and (4) through our WebLine.</p>

Practice to all appropriate parties, including its own suppliers.
10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.



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

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

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

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

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

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

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