




# Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: 403863599	Sedex Site Reference: (only available on Sedex System)	N/A
Business name (Company name):	SHENZHEN JINHAO COLOR PRINTING CO., LTD.		
Site name:	SHENZHEN JINHAO COLOR PRINTING CO., LTD.		
Site address: (Please include full address)	Building B, Jinchangda Technology Park, No. 8 of Shangwei Industrial Zone, Shangkeng Community, Guanlan, Longhua New District, Shenzhen City	Country:	China
Site contact and job title:	Ms. Yalin Long / Admin Manager		
Site phone:	86-0755-29529811	Site e-mail:	2355561863@qq.com
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	25-26 April 2018		

<b>Audit Company Name &amp; Logo:</b>   TUV Rheinland (Guangdong) Ltd.	<b>Report Owner (payee):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  SHENZHEN JINHAO COLOR PRINTING CO., LTD.
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Audit Conducted By					
Commercial	<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 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Alex Zhang

Team auditor: Nil

Interviewers: Alex Zhang

Report writer: Alex Zhang

Report reviewer: Anna Zhang

Date of declaration: 25-26 April 2018

*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.*



## Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			NC Findings Only (note to auditor, summarise in as few words as possible NC's only)	
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE		
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	• None was observed	
0B <a href="#">Management systems and code implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed	
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None was observed	
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None was observed	
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	<ul style="list-style-type: none"> <li>No MSDS</li> <li>No occupation hazard notification card</li> <li>No report of monitoring indoor air quality and noise level</li> </ul>	
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None was observed	
5. <a href="#">Living Wages and Benefits</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	• Insufficient social insurance	
6. <a href="#">Working Hours</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	• Monthly worked over 36 overtime hours	
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None was observed	

8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
8A	Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None was observed
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• N/A
10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• N/A

#### General observations and summary of the site:

Positive:

1. The factory obtained and provided valid business license (No.: 91440300589163354Q), period of validity was from 03 February 2012 to 03 February 2022, update date: 29 March 2016 for review.
2. The construction project complete acceptance report and fire protection acceptance report were obtained and provided for review.
3. All employees were recruited directly by the factory. The factory required all employees to copy their personal ID cards before work. Both copy of ID cards and latest individual photos were kept properly in their personnel files.
4. The emergency evacuation floor plan was posted on the wall of each workshop, and the emergency assembly spot was easy to identify.
5. No child labour or young worker was found during the audit. The youngest worker was 18 years old, born on 20 February 2000 and was hired on 24 February 2018.
6. No forced labour, discrimination & harsh or inhumane treatment were found during the audit.
7. Suggestion box was available for employees to complain or feedback their working condition. Also, they could communicate with their supervisors directly or through worker representatives.
8. Labour contract was signed with all employees in time when they obtained employment. Each employee retained one labour contract copy for individual.
9. EHS committee was established in 2017. The team leader was Ms. Yalin Long / Admin Manager. Quarterly meeting was held and meeting minutes were in place for review.
10. Fire drills including fire-fighting training and emergency escape drill had been conducted once a half year for all employees. The records of fire drills were available for review.

11. Six individual workers and four groups of five workers were conducted and interviewed in the meeting room. Employees' attitude was positive and polite during the audit. And employees showed the favourable attitude toward the factory via workers interview.
12. Fire-fighting facilities were well equipped and checked regularly. Drinking water and toilet were available and accessed easily.
13. The wages were paid before 7th of next month by cash. Workers' wages were calculated by monthly rated. No arrear of wage was identified through worker interview and management interview.
14. During worker interview, the factory had provided a private space for auditor to carry out the interview successfully.

#### Negative:

1. It was noted that no MSDS (Material Safety Data Sheet) was provided for the thinner which stored in chemical warehouse.
2. The factory did not post occupation hazard notification card for reference of workers.
3. The printing process had hazardous fumes emitted and noise, but the factory did not monitor its indoor air quality and noise level.
4. Factory did not purchase social security correctly for all employees. Base on the receipt on April 2018, Factory has 176 employees in total, 176 workers had participated in unemployment insurance, medical insurance, employment injury insurance and maternity insurance, 51 employees had participated in endowment insurance.
5. Based on the payrolls of workers from April 2017 to March 2018, and the attendance records from April 2017 to audit day, provided by the factory, it was identified that about 50% workers had monthly worked over 36 overtime hours in last 12 months. The highest overtimes were in March of 2018, which reached 94 hours.

#### Observation:

N/A

#### Good Examples:

N/A

*\*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:	SHENZHEN JINHAO COLOR PRINTING CO., LTD.																																		
B: Site name:	SHENZHEN JINHAO COLOR PRINTING CO., LTD.																																		
C: Applicable business and other legally required licence numbers and documents for example, business license no, liability insurance, any other required government inspections	Business license: 91440300589163354Q, period of validity from 03 February 2012 to 03 February 2022, update date: 29 March 2016.																																		
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Printing Books																																		
E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The factory was established on 03 February 2012 based on business license. It was located Building B, Jinchangda Technology Park, No. 8 of Shangwei Industrial Zone, Shangkeng Community, Guanlan, Longhua New District, Shenzhen City, Guangdong Province, China. The factory rented one 5-storey building and the first floor of the other one 5-storey building for production, warehouse and office. The building details refer to the below building tables. No dormitory or canteen were provided to workers. The factory was specialized in printing book products.</p> <table border="1"> <thead> <tr> <th>Production Building 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Printing Workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Binding Workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Office Area</td> <td>Nil</td> </tr> <tr> <td>Floor 4</td> <td>Binding Workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 5</td> <td>Packing Workshop</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Production Building 2</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 2-5</td> <td>Rent to other company</td> <td>Out of scope</td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes</td> <td>Nil</td> </tr> </tbody> </table> <p>There were 176 employees currently working in the factory including 100 male workers and 76 female workers. There were 40 local employees in this factory. The youngest worker was 18 years old, who was 20 February 2000, and joined the factory on</p>		Production Building 1	Description	Remark, if any	Floor 1	Printing Workshop	Nil	Floor 2	Binding Workshop	Nil	Floor 3	Office Area	Nil	Floor 4	Binding Workshop	Nil	Floor 5	Packing Workshop	Nil	Is this a shared building?	No	Nil	Production Building 2	Description	Remark, if any	Floor 1	Warehouse	Nil	Floor 2-5	Rent to other company	Out of scope	Is this a shared building?	Yes	Nil
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Floor 2	Binding Workshop	Nil																																	
Floor 3	Office Area	Nil																																	
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Floor 2-5	Rent to other company	Out of scope																																	
Is this a shared building?	Yes	Nil																																	



	<p>24 February 2018. No child labour or young worker was found during the audit.</p> <p>All employees worked for 5 days a week, the normal working hours were from 08:30-12:00 in the morning, and 13:30-18:00 in the afternoon. The noon break was 1.5 hour from 12:00-13:30, there were two shifts for the printing workshop, one was 08:30-20:30, the other was 20:30-08:30, each shift included two hours break and two hours overtime working. The finger print attendance system was installed for time keeping. Workers' wages were calculated by monthly rate and the wages were paid before 7th of next month by cash. The peak season was not obvious per management and worker interviews. The latest wage was paid for March 2018, so during the audit, the reviewed attendance records were from 01 April 2017 to audit day.</p> <p>Visible structural integrity issues (large cracks) observed and without structural engineer evaluation</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details: Per on-site observation, no structural integrity issue was found during the audit.</p>
F: Site function: (if applicable)	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>
G: Month(s) of peak season: (if applicable)	Not obvious
H: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>Main products: Printing Books</p> <p>Main production processes were listed as follows: Paper Cutting – Printing – Binding – Packing</p> <p>Main equipment: Automatic printing machine: 3 Binding machine: 12</p>
I: What form of worker representation / union is there on site?	<p><input type="checkbox"/> Union (name)</p> <p><input type="checkbox"/> Worker Committee</p> <p><input checked="" type="checkbox"/> Other (specify) Worker representatives</p> <p><input type="checkbox"/> None</p>
J: Is there any night production work at the site?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

<p>K: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  If yes approx. % of workers in on site accommodation</p>
<p>L: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  If Yes approx. % of workers</p>
<p>M: Were the site provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  N/A  If No, please give details: Factory did not provided dormitory to workers.</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:30 Day 1 Time out: 18:00	Day 2 Time in: 08:30 Day 2 Time out: 17:30	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of Auditor Days Used:	One Auditor for two days		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:      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 <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Yalin Long / Admin Manager		
H: Is further information available (if Y please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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 (only complete if no worker reps present)	One worker representative was present		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No Union organization		

## 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 and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	32	0	0	68	0	0	0	100
Worker numbers – female	8	0	0	68	0	0	0	76
Total	40	0	0	136	0	0	0	176
Number of Workers interviewed – male	2	0	0	9	0	0	0	11
Number of Workers interviewed – female	1	0	0	14	0	0	0	15
Total – interviewed sample size	3	0	0	23	0	0	0	26

A: Nationality of Management	China
B: Majority nationality of workers	Main countries: Country 1: <u>China</u> approx % total workforce <u>100%</u> Country 2: _____ approx % total workforce _____ Country 3: _____ approx % total workforce _____
C: Worker remuneration ( <i>management information</i> )	_____% workers on piece rate _____100_____ % hourly paid workers _____100_____ % salaried workers  Payment cycle: _____% daily paid _____% weekly paid _____100_____ % monthly paid _____% other – please give details



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>	Four groups of five workers
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 3      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 N, 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 negative complaint was arisen during interview.
I: What did the workers like the most about working at this site?	All workers were satisfied with the wages, and working environment
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Satisfactory
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If Yes, please give details:</i>	

**M: Attitude of workers:**

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

26 employees were interviewed by auditor including 6 individually and 4 groups of 5 workers. The employees' interviews were conducted at the meeting room without any influence by the factory management. All the interviewees were favourable with the management and factory environment and no negative information was raised.

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

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

The interviewed worker representative elected by workers showed that the management was kind and the workplace was comfortable. And the worker representative was open and expressed satisfactory to conditions of factory. No any negative information was observed.

**O: Attitude of managers:**

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

The factory management cooperated with the auditor both in on-site observation and documents reviewed. The management was also willing to improve the shortage and the issues found during the audit. All audited areas were open for investigation.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

1. The factory had established social policies, procedures and work instructions to compliance with the human rights.
2. Ms. Yalin Long / Admin Manager was appointed to be responsible for the complying with the human rights.
3. The factory had communicated the social policies to the supplies and checked the code requirements were met or not.
4. The factory had communicated the social policies' human rights to the supplies and the schedule of survey was available for review.
5. The factory had established a system of corrections and corrective actions if an adverse impact on human rights within any of their stakeholders occurred.
6. The factory had established a system of confidentiality and privacy to protect the reporter.

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

Details: Details: Social responsibility manual, Suppliers management procedure, supplies assessment records and management interview.

Any other comments:

Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established a human rights' policy statement that was noticed and communicated to all employees during orientation training and post on notice board, which was confirmed by workers interview during the audit.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Yalin Long Job title: Admin Manager
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the employee grievance/complaint procedure. The workers could raise their concerns through suggestion box or report to their directly supervisor.
D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Yalin Long / Admin Manager confirmed that workers' information was kept by HR department confidential, all documents and procedures should be controlled strictly.

Findings		
<b>Finding: Observation</b> <input type="checkbox"/> <b>Company NC</b> <input type="checkbox"/> <b>Description of observation:</b> None was observed  <b>Local law or ETI/Additional elements / customer specific requirement:</b> None was observed  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A	

Good examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective Evidence Observed:</b> N/A

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: __18__ %	This year __17__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / ((number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2)	3%	
C: Annual % absenteeism: Number of days lost through job absence in the year / ((number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year / 2) * number available workdays in the year	Last year: __18__ %	This year __17__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / ((Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period / 2) * Number of available workdays in the month	4%	3%
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Per document review and management interview, no accident was occurred.	
F: Annual Number of work related accidents and injuries per 100 workers: (Number of work related accidents and injuries * 100) / Number of total workers)	Last year: 2017 Number: 0	This year: 2018 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	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)	Last year: 0	This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months __0__% workers	12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months __0__% workers	12 months __0__% workers



## 0B: Management system and Code Implementation

[\(click here to return to NC Table\)](#)

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

### Current Systems and Evidence Examined

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

#### Current systems:

1. The factory had implemented the ETI Code and wanted to compliance with this code with the help of consultant.
2. Lease contract and business license were provided for review.
3. Ms. Yalin Long / Admin Manager was appointed to be responsible for the complying with the code.
4. The factory kept the records of supplies assessment and checked the code requirements were met or not.

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

Details: Social responsibility manual, suppliers management procedure, suppliers assessment records, lease contract and business license.

Any other comments:

Nil

### Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes

☒ No

Please describe: No fines or prosecutions were occurred in the past 12 months, according to management and workers interview.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes

☐ No

Please describe: The policy of not employing child labor who was under age of 16 years old was established. Also the policy of against forced labor, discrimination, harassment and abuse were provided for review.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.

No forced labor, discrimination, harassment and abuse were received in the factory according to

	worker interview. Per on-site tour and worker interview, it was noted that no forced labor or child labor was found, overtime was voluntary. The workers were free to leave after work, and they were equally treated both in wage and working condition.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Both new and senior employees were required to attend the training of child labor remedy policy, non-discrimination policy, non-forced labor and harassment & abuse regularly.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The factory had provided the training to management and workers. The related record was provided for review. Through worker interview and management interview, the workers revealed that they were trained and learned about the policy.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: Not any system certificate was found during the audit.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Ms. Yalin Long / Admin Manager was responsible for human resource management.
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Ms. Yalin Long / Admin Manager was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Ms. Yalin Long / Admin Manager confirmed that workers' information was kept by HR department confidential, all documents and procedures should be controlled strictly.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The workers' information was kept by HR department confidential, all documents and procedures should be controlled strictly.

K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory had established risk assessment policy and procedure and the risk lists were available for review.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory had a process to address risks found and the administration control to reduce identified risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory performed the supplies assessment on labor standards and checked it was conformance with the ETI Code or not.
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions ( <i>see SMETA Measurement Criteria</i> )?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory provided the lease contract and the ownership certificate copy for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory collected the laws of land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC: The site have a written policy and procedures specific to land rights and obtain the FPIC via internet.
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory provided the lease contract and the ownership certificate copy for review and all land was lawful
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No Details: N/A No land acquisition.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: No any evidence was found during the audit.

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None was observed  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> N/A	<b>Objective evidence observed:</b> N/A

Observation:	
<b>Description of observation:</b> None was observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

## 1: Freely Chosen Employment

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

### 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. Relevant policy and documents on forced, bonded or involuntary prison labor was established.
2. The employees could freely resign after communication with management in advance of 30 days. Workers in probation could quite after notification of 3 days' in advance.
3. The employees obtained their job by themselves or by recommendation; they were not required to lodge deposits or their ID cards to the factory during working period. All new recruited employees kept their ID cards themselves, only the copy of ID cards should be handed up to HR Dept. for personnel file.
4. Per worker interview and document review, there was no forced, bonded or involuntary prison labor in the factory.

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

Details: Recruitment policy, employee manual, employee roster, employee personnel file and employee labour contracts

Any other comments:

Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
C: Is there Any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



publish a 'modern day slavery statement. F: Is there a modern day slavery statement published	Please describe finding: <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:
H: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If yes please give details and category of workers affected: The factory conducted supply chain assessment periodically  <input type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please describe finding: The site had conduct inner audit to reduce the risk of force or trafficked labor.

#### Non-compliance:

<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None was observed  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b> N/A
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#### Observation:

<b>Description of observation:</b> None was observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A
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#### Good Examples observed:

<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A
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## 2: Freedom of Association and Right to Collective Bargaining are Respected

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

### 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. The right of association or collective bargaining was not restricted. Policy on respecting freedom of association and collective bargaining was conducted.
2. Workers were free to raise the suggestion through supervisors, suggestion box or report to directly manager. It could be verified per worker interviews.
3. The election of worker representatives was conducted regularly, which was on a fair and open situation.
4. Four worker representatives were responsible for all employees' suggestion collecting and reporting.

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

Details: Policy on respecting freedom of association and collective bargaining was available for review.  
 Election records were provided for review.

Any other comments:

Nil

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) Worker representatives <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Is there any other form of effective worker/management	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	Describe: Suggestion box, worker representative, directly supervisor.  Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory had provided activity place for workers to allow the employee representative to conduct related business.	
F: Name of union and union representative, if applicable:	N/A	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?	Worker representative, suggestion box	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 23 December 2016
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 /Mr. Zaicai Duan	
L: State any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Latest worker representative was elected on 23 December 2016. The election result was posted in the factory. Regular meetings were held between worker representative and management. Per document review and worker representative interview that the factory would improve the rules and regulations, standardize order, correct and investigate uncivilized behaviour. Also orientation training including worker communication was held when the new employees joined the factory.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
N: If <b>Yes</b> what percentage by trade Union/worker representation	____% workers covered by Union CBA N/A	____% workers covered by worker rep CBA N/A
O: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None was observed  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b> N/A

Observation:	
<b>Description of observation:</b> None was observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

### 3: Working Conditions are Safe and Hygienic

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

#### 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. The factory established EHS procedures and the documentary files were available for review.
2. EHS training was hosted every year, especially at the time of recruiting new employees.
3. Toilets and drinking water facilities were set enough in each production area, and office area.
4. No dormitory or canteen was provided in the factory.
5. Ms. Yalin Long / Admin Manager was appointed as the EHS monitor and the relevant training records were kept.
6. Sufficient first aid kits stocked with necessary supplies were provided in workshops.
7. The factory arranged the fire drill twice per year, which included the evacuation exercise in production area and the use of the fire-fighting facilities.
8. Per worker interview and management interview, the factory provided appropriate safety trainings to workers. And the factory retained relevant records for review.

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

##### Details:

1. First aid training records were reviewed and the factory organized first aid trainings twice in the past one year.
2. Healthy and safety hand book was reviewed.
3. Fire drill record, safety and healthy training records were kept for review.
4. Inspection records of fire-fighting equipment (fire extinguishers, fire hydrants)
5. Management interview
6. Employee interview
7. Certificate for first aiders
8. Construction acceptance and fire protection acceptance of production building
9. Employee manual and factory rule
10. Inspection report of working environment

##### Any other comments:

Nil



<p>A: Does the facility have general Health &amp; Safety and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The factory had established EHS administrative manual, annual training plan including Health &amp; Safety training was hosted for all departments and new employees. The factory kept the training records for review.</p>
<p>B: Are the policies included in worker's manual?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Per document review and worker interview, the EHS policies were found in employee 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</p> <p>Details: No any structural addition occurred during the audit.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The factory informed visitors on H&amp;S and provided for visitors with personal protective equipment.</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Sufficient first aid kits stocked with necessary supplies were provided in workshops</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Four qualified first aiders were found in the factory, the first aiders' contact information was posted beside each first aid kit.</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: No transport facility was provided for employees. The employees commuted by themselves.</p>
<p>H: Secure personal storage space is provided for workers in their living space and is fit for purpose</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: N/A No dormitory was provided to employees</p>

I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory had established risk assessments system including H&S Risk assessments. The risk lists were available for review.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The factory had established Environmental administrative manual and obtained Environmental Impact Assessment Approval for review.
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 Please describe: The factory had collected its customer requirements on environmental standards. Per document review and management interview, no banned chemical was found during the audit.

### Non-compliance:

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

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

It was noted that no MSDS (Material Safety Data Sheet) was provided for the thinner which stored in chemical warehouse.

#### Local law and/or ETI requirement:

##### Local law

Regulations on Safety Use of Chemicals in Workplaces, Article 12

Chemicals used shall have the labels, and the hazardous chemicals should be attached with safety labels. Also, the safety and technical instructions of the chemicals shall be available for operators engaged in the use of the chemical

##### ETI requirement

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

#### Recommended corrective action:

The factory should obtain the MSDS for the chemicals used and stored at the factory and post them at the places where chemicals are used and stored.

#### Objective evidence observed:

On-site observation, please refer to NC photo 1

#### 2. Description of non-compliance:

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

#### Objective evidence observed:

On-site observation,

The factory did not post occupation hazard notification card for reference of workers.

#### Local law and/or ETI requirement:

##### Local law

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 24

The employing unit who produce occupational hazards should set up the bulletin board in the eye-catching position, publish the rules and regulations, operating regulations, emergency rescue measures for occupational hazards and the detection results of occupational hazards in the workplace.

For work posts that cause serious occupational hazards, warning labels and Chinese warning instructions should be set up in their eye-catching positions. The warning instructions should include the categories, consequences, prevention and emergency measures for occupational hazards.

##### ETI requirement

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

#### Recommended corrective action:

The factory should post occupation hazard notification card to workers for reference.

please refer to NC photo 2

#### 3. Description of non-compliance:

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

The printing process had hazardous gas emitted and noise, but the factory did not monitor its indoor air quality and noise level.

#### Local law and/or ETI requirement:

##### Local law

Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20

The employing unit who have occupational hazards should entrust a professional health service institution with corresponding qualifications to carry out at least one test of occupational hazards every year.

In addition to compliance with the provisions of the preceding paragraph, the employing units with serious occupational hazards shall entrust a professional health technical service with corresponding qualifications to evaluate the status of occupational hazards at least once every three years.

The results of the inspection and evaluation shall be deposited in the occupational health archives of the unit and reported to the work safety supervision department and the workers.

##### ETI requirement

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

#### Objective evidence observed:

On-site observation, document review, management and workers interview

as is reasonably practicable, the causes of hazards inherent in the working environment.

**Recommended corrective action:**

The factory should monitor the indoor air quality and noise level in order to provide safety work environment to workers.

**Observation:**

**Description of observation:** None was observed

**Local law or ETI requirement:** N/A

**Comments:** Nil

**Objective evidence observed:**

N/A

**Good Examples observed:**

**Description of Good Example (GE):**  
None was observed

**Objective evidence observed:**

N/A

#### 4: Child Labour Shall Not Be Used

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

##### 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. No child labour or young worker was recruited by the factory. And the factory established a policy that would never employ and use any child labour under the age of 16 years old. The factory also established a child labour remedy procedure for review.
2. The factory verified all employees' original ID cards at the time of recruitment and kept the photocopies of employees' ID cards in the personnel files. The youngest worker was 18 years old, who was born on 20 February 2000, and joined the factory on 24 February 2018.
3. Sufficient numbers of employees' personal files were provided for review. Each employee file included a recent photo and the age documentation, which was in the form of photocopied national identification card. The card listed the employee's name, household address and the date of birth, etc.
4. From employee interview and factory tour, no child labour was found.

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

###### Details:

1. The factory established a policy that would never employ and use any child labour under the age of 16 years old.
2. Sufficient numbers of employees' personal files were provided for review.
3. Employee interview
4. Factory tour

###### Any other comments:

Nil

A: Legal age of employment	16
B: Age of youngest worker found:	18
C: Children present on workfloor but not working at 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: Workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No If Y give details N/A
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Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None was observed  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b> N/A

Observation:	
<b>Description of observation:</b> None was observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

## 5: Living Wages are Paid

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

### 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 legal minimum wage was RMB 2130 per month since 01 June 2017 and RMB 2030 per month before 01 June 2017. The minimum wage document issued by the local government was obtained and posted in the factory area.
2. Through payroll and worker interviews, it was shown that workers' wage was calculated by monthly rate. And the minimum average hourly rate was RMB 12.24 equivalent RMB 2130 per month for regular working hours.
3. Overtime hours on normal working days were paid according to 150% of the normal wages. Overtime hours on rest days were paid according to 200% of the normal wages. (Remark: no overtime on statutory holidays was found during the audit).
4. The wages were paid before 7th of next month by cash.
5. The wage record was reviewed from April 2017 to March 2018 by payroll records together with attendance records.
6. Base on the receipt on April 2018, Factory has 176 employees in total, 176 workers had participated in unemployment insurance, medical insurance, employment injury insurance and maternity insurance, 51 employees had participated in endowment insurance.

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

Details: Payroll records, attendance records, management interview, worker interview and social insurance receipt.

Any other comments:

Nil



### Non-compliance:

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

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

Factory did not purchase social security correctly for all employees. Base on the receipt on April 2018, Factory has 176 employees in total, 176 workers had participated in unemployment insurance, medical insurance, employment injury insurance and maternity insurance, 51 employees had participated in endowment insurance.

#### Local law and/or ETI requirement:

##### Local law

Labour Law of the People's Republic of China, Article 72.

Social insurance funds determine the sources of funds in accordance with the type of insurance, and gradually implement social pooling. Employers and workers must participate in social insurance according to law and pay social insurance premiums.

##### ETI requirement

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:

Factory should purchase social security correctly for all employees.

#### Objective evidence observed:

document review, management and workers interview

### Observation:

**Description of observation:** None was observed

**Local law or ETI requirement:** N/A

**Comments:** Nil

#### Objective evidence observed:

N/A

### Good Examples observed:

**Description of Good Example (GE):**  
None was observed

#### Objective evidence observed:

N/A

## Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day and 40 hours per week	8 hours per day and 40 hours per week	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: Not exceed 3 hours per day and 36 hours per month	Maximum 2 overtime hour per normal working day. Maximum 20 overtime hours per week Maximum 94 overtime hours per month.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB 2130 per month equivalent to RMB 12.24 (2130/21.75/8) per hour since 1st June 2017 and RMB 2030 per month equivalent to RMB 11.67 (2030/21.75/8) per hour before 1st June 2017	RMB 12.24 per hour equivalent to RMB 2130 (12.24x21.75x8) per month during June 2017 to March 2018 RMB 11.67 per hour equivalent to RMB 2030 (11.67x21.75x8) per month during April 2017 to May 2017	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: The employing unit shall, according to the following standards, pay laborers	Overtime hours on normal working days were paid according to 150% of the normal wages.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

	remuneration higher than those for normal working hours under any of the following circumstances: 1) to pay no less than 150% of the normal wages if the extension of working hours is arranged; 2) to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; 3) To pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.	Overtime hours on rest days were paid according to 200% of the normal wages. (Remark: no overtime on statutory holidays was found during the audit. however, as per factory policy and interview, the overtime hours on statutory holidays would be paid according to 300% of the normal wages)	
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Wages analysis: <a href="#">(Click here to return to Key Information)</a>		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: If <b>No</b> , why not?	N/A	
C: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 samples in April 2017 (Random month) 26 samples in December 2017 (Random month) 26 samples in March 2018 (Current month)	
D: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If <b>Yes</b> , please give details:

E: 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	If <b>No</b> , please give details:
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	Lowest Wages found: Note: full time employees and please state hour / week / month etc.  <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	Please indicate the breakdown of workforce per earnings: RMB 12.24~12.24/hour RMB 489.6~489.6/week (12.24~12.24x40) RMB 2130~2130/month(12.24~12.24x21.75x8)  ____% of workforce earning under min wage 100____% of workforce earning min wage % of workforce earning above min wage
G: Bonus (amount specify)	Bonus Scheme found: Attendance Bonus, Post allowance <i>Note: full time employees and please state hour / week / month etc.</i>	
H: What deductions are required by law e.g. social insurance? Please state all types:	Tax, Social Insurance	
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please describe Please list all deduction that have been made: Tax, Social Insurance	
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 <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 Details: Per document review and worker interview, the records reflected all time worked.	
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:	

<p>If yes, what was the calculation method used.</p>	<p> <input type="checkbox"/> ISEAL/Anker Benchmarks  <input type="checkbox"/> Asia Floor Wage  <input type="checkbox"/> Figures provided by Unions  <input type="checkbox"/> Living Wage Foundation UK  <input type="checkbox"/> Fair Wear Wage Ladder  <input type="checkbox"/> Fairtrade Foundation            Other – please give details: N/A         </p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No            Details: Per document review and management interview, no periodic review record was kept.         </p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No         </p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No            Details: Per employee manual review and worker interview, it was confirmed that equal rates were being paid for equal work.         </p>
<p>Q: How are workers paid:</p>	<p> <input checked="" type="checkbox"/> Cash  <input type="checkbox"/> Cheque  <input type="checkbox"/> Bank Transfer  <input type="checkbox"/> Other            If other explain:         </p>

## 6: Working Hours are not Excessive

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

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

### 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. The normal working hour was 8 hours per day and 5 days per week which was written in the employee manual.
2. As shown in the working time records, there was maximum 2 hour overtime per day, maximum 20 hours overtime per week, and maximum 94 hours overtime per month.
3. Per worker interview, workers confirmed that they worked overtime voluntarily.
4. At least one day off after 6 consecutive working days was guaranteed.
5. The maximum weekly working hours complied with labour contract signed with employees.
6. The maximum weekly total working hours including overtime hours were 60 hours which did not exceed 60 hours by the ETI code.
7. The attendance system was in a good condition. The records could be checked from computer system, and HR department was responsible for records collecting and keeping.
8. 26 sample workers' attendance records from 01 April 2017 to audit day were randomly selected for review, all workers' day overtime hours did not exceed 3 hours and that meet local law requirement.

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

Details: Employee manual, overtime policy, attendance records, payroll records, the records of materials in and out, worker interview and management interview.

Any other comments:

Nil

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

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

Based on the payrolls of workers from April 2017 to March 2018, and the attendance records from April 2017 to the audit day, provided by the factory, it was identified that about 50% workers had monthly worked over 36 overtime hours in last 12 months. The highest overtimes were in March of 2018, which reached 94 hours.

**Local law and/or ETI requirement:**
**Local law**

China Labour Law, Article 41.

The employer can prolong work hours due to needs of production or businesses after consultation with its trade union and labourers. The work hours to be prolonged, in general, shall be no longer than one hour a day, or no more than three hours a day if such prolonging is called for due to special reasons and under the condition that the physical health of labourers is guaranteed. The work time to be prolonged shall not exceed, however, 36 hours a month.

**ETI requirement**

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

**Recommended corrective action:**

The factory should ensure the overtimes of workers be in accordance with the legal requirements.

**Objective evidence observed:**

On-site observation, document review, management and workers interview

**Observation:**

**Description of observation:** None was observed

**Local law or ETI requirement:** N/A

**Comments:** Nil

**Objective evidence observed:**

N/A



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

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

Standard/Contracted Hours worked		
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency  
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	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 94 hours	2 hours/day, 20 hours/week, 88 hours/month in April 2017 (Random month) 2 hours/day, 20 hours/week, 92 hours/month in December 2017 (Random month) 2 hours/day, 20 hours/week, 94 hours/month in March 2018 (Current month)
J: Combined hours (standard/contracted plus= total) 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours	_50_%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements: Per worker interview and management interview
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	Please give details of normal day overtime premium as a % of <b>standard</b> wages: Overtime hours on normal working days and rest days were compensated by 150% and 200% respectively of normal wage standard. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays would be paid by 300% of normal wage)

N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, please describe % of workers &amp; frequency: 100% workers &amp; monthly paid.</i>
O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	Please explain any checked boxes above e.g. detail of consolidated pay CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> <b>Overtime is voluntary</b> <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	
	Please explain any checked boxes above	
	N/A. The maximum weekly working hours were 60 hours.	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

## 7: No Discrimination is Practiced

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

### 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. No evidence of discrimination in employment, promotion, compensation, welfare, dismissal or retirement was found.
2. Workers came from different provinces of China, and no discrimination or unfair treatments were identified.
3. Per worker interviews, it was found that there was no unequal, abuse, unusual disciplinary practices, and there were no preference on the religion, origin, political affiliation or age.
4. Non-discrimination policy was reviewed. And no discrimination issue was found.
5. Employment contracts were provided for review and they showed that male and female employees were on the same pay grade for same work.

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

Details: Management interview and employee interview, Non-discrimination policy, employment contracts

#### Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: _60_ % Female: _40_ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	# : 0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement N/A

## Professional Development

A: What type of training and development are available for workers?

Please give details: Per worker interview, it was noted that new employee orientation training, job training, safety training, etc. were available for all workers.

B: Are HR decisions on e.g. promotion, training, compensation based on objective, transparent criteria?

☒ Yes

☐ No

If no, please give details:

## Non-compliance:

### 1. Description of non-compliance:

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

None was observed

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

### Objective evidence observed:

N/A

## Observation:

Description of observation: None was observed

Local law or ETI requirement: N/A

Comments: Nil

### Objective evidence observed:

N/A

## Good Examples observed:

Description of Good Example (GE):

None was observed

### Objective evidence observed:

N/A

## 8: Regular Employment Is Provided

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

### 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. Work performed was on the basis of recognized employment relationship established through national law and practice.
2. The factory signed labor contracts with employees within 30 days after employment.
3. No sub-contracting was found in the factory.
4. The factory had established a process to assess all labor recruiters or ethical requirements.
5. The factory had established a management system to identify and monitor the hiring, and the factory should implement system to enable adequate control over agencies with regards the above points and related legislation.
6. All employees were hired directly without employment agencies.
7. Per document review and worker interview, no any recruitment fee was paid by workers at any recruitment process.
8. Workers confirmed all terms of employment contract and signed by workers, and they retained one copy of employment contract themselves.

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

Details: Labor contract of employees and roster were reviewed in the audit. Management interview and workers interview confirmed the compliance of the employment.

Any other comments:

Nil



Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None was observed  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b> N/A

Observation:	
<b>Description of observation:</b> None was observed  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

## Responsible Recruitment

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

### Migrant Workers:

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

A: Type of work undertaken by migrant workers:	Printing, Binding, Packing
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: 136 Total number of (outside of local country) recruitment agencies used: N/A

C: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: N/A	Observations N/A
D: Are Any migrant workers in skilled, technical, or management roles  <b>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If Yes number and example of roles Printing: 22, Binding: 26	

## NON-EMPLOYEE WORKERS

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

<b>Agency Workers (if applicable)</b> <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	And names if available: N/A

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

<p align="center"><b>Contractors:</b></p> <p><i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: If Y, how many contractors are present
B: If <b>Yes</b> , how many workers supplied by contractors	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: N/A
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	N/A

## 8A: Sub-Contracting and Homeworking:

**8A: Sub-Contracting and Homeworking**

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

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. Per management interview and worker interview, no worker was hired from sub-contractors.
2. No process was done by sub-contractors during the audit.
3. No homeworking was found in this factory, and the factory established policy on not hiring homeworking.

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

1. In and out records at warehouse
2. Production plan
3. Management interview and worker interview

Any other comments:

Nil

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

☐ NC against ETI      ☐ NC against Local Law:    ☐ NC against customer code:  
None was observed

**Local law and/or ETI requirement:** N/A

**Recommended corrective action:** Nil

**Objective evidence observed:**

N/A

Observation:	
<b>Description of observation:</b> None was observed <b>Local law or ETI requirement:</b> N/A <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe: N/A
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: N/A
C: Number of sub-contractors/agents used	N/A
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: N/A
E: What checks are in place to ensure no child labour is being used and work is safe?	N/A

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 If <b>Yes</b> , summarise details: N/A		
B: Number of homeworkers	Male: N/A	Female: N/A	Total: N/A
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		

D: If through agents, number of agents	N/A
E: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
F: How does site ensure worker hours and pay meet local laws for homeworkers?	N/A
G: What processes are carried out by homeworkers?	N/A
H: Do any contracts exist for homeworkers	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A
I: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A



## 9: No Harsh or Inhumane Treatment is Allowed

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

### 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 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The contact information of 3rd party such as Chinese association of labor, local labor union and community were posted in the factory.
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	Per management interview and workers interview, the workers confirmed they knew the way to report their complaints or grievances to 3rd party. And management revealed that they did not interfere with such reporting channels.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box and hotline were used for employees.
D: Is there a grievance mechanism in place for:	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other  Details: The factory had established a grievance mechanism for workers and their suppliers. The procedure was available for review.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If yes, please give details
F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or whistle blowing mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details

H: Is there a published and transparent disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain
I: If yes, are workers aware of these the disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details
J: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details

### Current Systems and Evidence Examined

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

#### Current systems:

1. Per management interview and workers interview, no case of abuse or discipline were happened in the factory at past and the disciplinary procedure of the factory was verbally warning and workers signed a slip to confirm they had understood the procedures.
2. No negative evidence of mental/ physical abuse, sexual or other harassment and verbal abuse were identified during the audit.
3. The policy of anti-harsh or inhumane treatment was established in the factory.
4. The policy of a confidential grievance mechanism was established in the factory.

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

1. The factory established anti-harsh or inhumane treatment policy.
2. The factory established a confidential grievance mechanism policy.
3. Management interview and worker interview.

Any other comments:

Nil

### Non-compliance:

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

☐ NC against ETI      ☐ NC against Local Law:      ☐ NC against customer code:  
 None was observed

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

#### Objective evidence observed:

N/A

Observation:	
<b>Description of observation:</b> None was observed <b>Local law or ETI requirement:</b> N/A <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

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

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

### Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

### Current Systems and Evidence Examined

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

#### Current systems:

1. Per worker interviews, they had a legal right to work shall be employed or used by the supplier.
2. Per management interview, no any agency staff, employment agencies and immigration worker were used in the factory.

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

Details: Employee manual, Employee Roster, Personnel file

Any other comments:

Nil

### Non-compliance:

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

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:  
None was observed

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

#### Objective evidence observed:

N/A

### Observation:

Description of observation: None was observed

Local law or ETI requirement: N/A

Comments: Nil

#### Objective evidence observed:

N/A

Good examples observed:	
Description of Good Example (GE): None was observed	Objective evidence observed: N/A

### 10. Other issue areas 10B2: Environment 2-Pillar

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

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. Ms. Yalin Long / Admin Manager was responsible for continuous improvements in their environmental performance.
2. Per factory tour and document review, the main hazardous wastes were waste mineral oil, waste ink bucket and waste rags. The factory submitted hazardous wastes to the qualified company to dispose.
3. Environmental Impact Assessment report, environmental impact assessment approval and acceptance approval for environmental facilities from environmental authority were provided by the factory.
4. Inspection reports of outdoor air quality/noise/dust were kept for review.

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

Details:

1. Environmental Impact Assessment report and approval
2. Environmental monitoring reports
3. Appointment letter of Environmental member
4. Management and worker interviews

Any other comments:

Nil

### Non-compliance:

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

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:  
None was observed

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:  
N/A

Observation:	
<b>Description of observation:</b> None was observed <b>Local law or ETI requirement:</b> N/A <b>Comments:</b> Nil	<b>Objective evidence observed:</b> N/A

Good examples observed:	
<b>Description of Good Example (GE):</b> None was observed	<b>Objective evidence observed:</b> N/A

### Other Findings Outside the Scope of the Code

None

### Community Benefits

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

None



## Appendix 1

<p><b>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."</b></p> <p><input checked="" type="checkbox"/> Not Applicable please x</p>	
<p><b>NOTE:</b> 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><b>Instruction to Audit Company:</b> 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><b>0.A. Guidance for Observations</b></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>Nil</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>Nil</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>	
<b>ETI 1. Forced Labour</b>	<b>ETI 1. Forced Labour</b>
<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>	Nil
<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>	<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>
<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>	Nil
<b>ETI 3. Working conditions are safe and hygienic</b>	<b>ETI 3. Working conditions are safe and hygienic</b>
<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 &amp; 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>	Nil

<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 &amp; Safety to a senior management representative.</p>	
<b>ETI 4. Child labour shall not be used</b>	<b>ETI 4. Child labour shall not be used</b>
<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>	Nil
<b>ETI 5. Living wages are paid</b>	<b>ETI 5. Living wages are paid</b>
<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>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>	Nil
<b>ETI 6. Working Hours are not excessive</b>	<b>ETI 6. Working Hours are not excessive</b>
<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>	Nil

<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 <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>– this is allowed by national law;</li> <li>– this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>– appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>– The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <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>	
<b>ETI 7. No discrimination is practised</b>	<b>ETI 7. No discrimination is practised</b>
<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>Nil</p>
<b>ETI 8. Regular employment is provided</b>	<b>ETI 8. Regular employment is provided</b>
<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</p>	<p>Nil</p>

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b></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>	
<b>8A: Sub-Contracting and Homeworking</b>	<b>8A: Sub-Contracting and Homeworking</b>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	Nil
<b>ETI 9. No harsh or inhumane treatment is allowed</b>	<b>ETI 9. No harsh or inhumane treatment is allowed</b>
<p>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.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	Nil
<b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b>	
<p><b>Additional Elements</b></p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	Nil
<b>10. Other issue areas 10B2: Environment 2-Pillar</b>	

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	Nil
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p><b>B.4. Compliance Requirements</b></p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>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.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>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).</p> <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><b>B4. Guidance for Observations</b></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>	Nil
Business Practices Section	

<p><b>10C. Compliance Requirements</b></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><b>10C. Guidance for Observations</b></p> <p>10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</p> <p>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.</p>	<p>Nil</p>
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# Photo Form

Business license	Pollutant discharge permit	Factory Gate
Factory Name	Production Building 1	Production Building 2
Paper Cutting	Printing Workshop	Binding Process





Packing Area

Chemical Store Area

MSDS



Warning Sign

Emergency Assembly Point

Fire Alarm



Fire extinguishers

Fire hydrant

Emergency light &amp; exit indicator



Evacuation plan

First aid kit

Eye washer



Suggestion Box



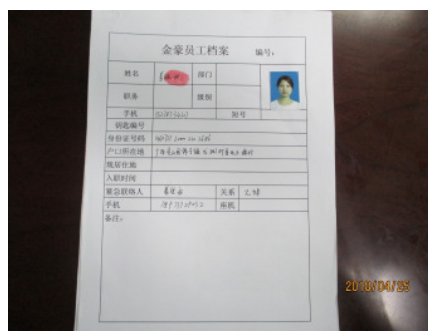
Attendance Machine



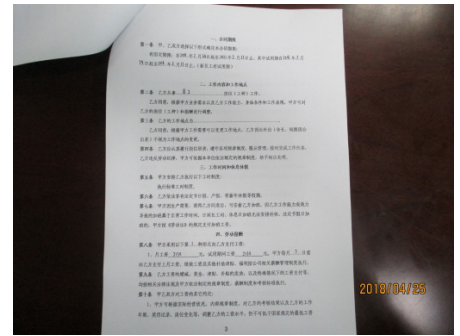
Drinking Water



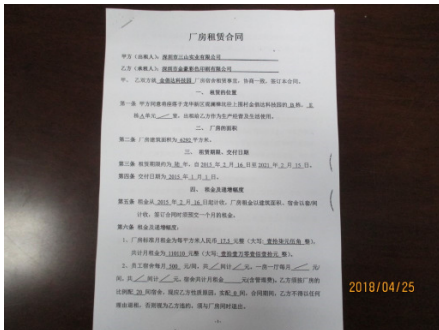
Toilet



Employee file



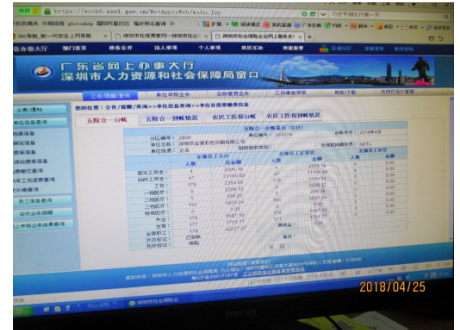
Labor contract



Rent Contract



Payroll



Social Insurance Record  
Remark: total 176 employees in the factory and the extra 2 person in the list is not belong to auditee.

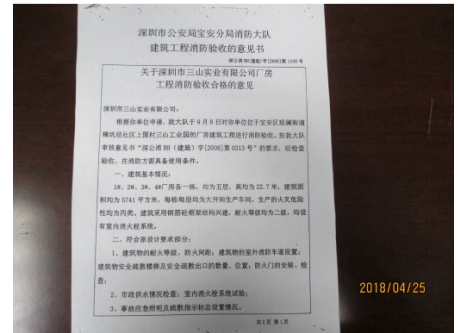




Electrician certificates



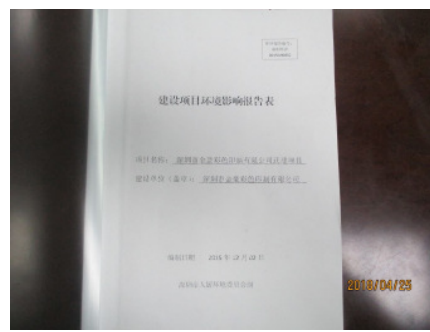
First aiders' certificates



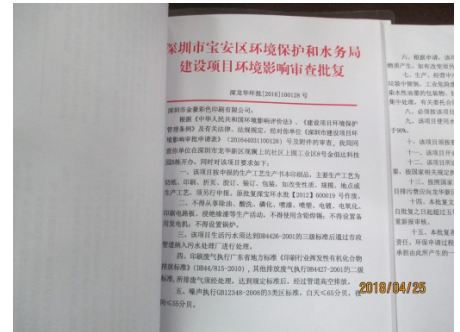
Fire protection acceptance report of contraction project



Contraction project completion acceptance report



Environmental Impact Assessment report



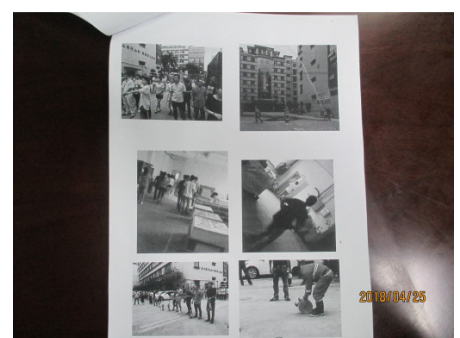
Environmental Impact Assessment approval



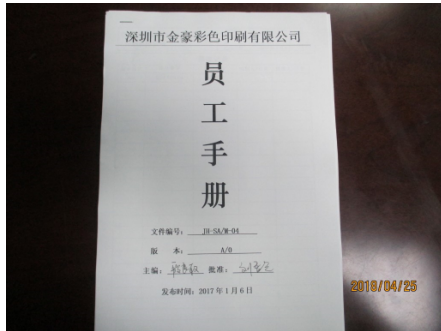
Test report of environment



Test report of drinking water



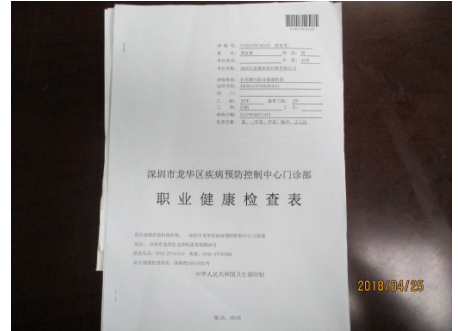
Fire drill record



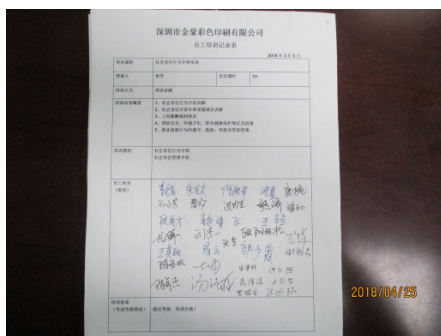
Employee manual



Hazardous wastes disposal agreement



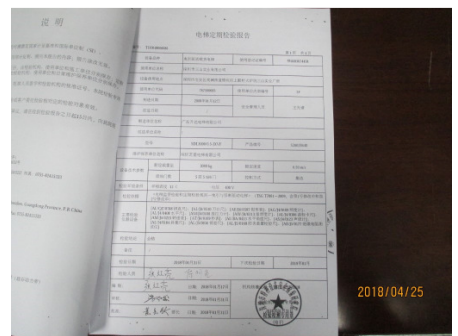
Occupational medical examination report



Training record



Risk assessment



Elevator inspection report

## NC Photos



NC Photo 1: No MSDS was provided for the thinner in stored area



NC Photo 2: Did not post occupation hazard notification card

N/A

N/A



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

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

**[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)