




Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 404330002	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 405094771
Business name (Company name):	W.C. Bradley Company		
Site name:	Pingjiang Lianyunjiefeng Bamboo Products Co., LTD		
Site address: <i>(Please include full address)</i>	Zhenghuang Village, Anding Town, Pingjiang County, Yueyang City, Hunan Province	Country:	China
Site contact and job title:	Mr. Lianzhuang LI, vice general manager		
Site phone:	86-18692193678	Site e-mail:	lyfli@126.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	12 th -13 th November, 2018		

Audit Company Name & Logo: Bureau Veritas 	Report Owner (payee): W.C. Bradley Company
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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.

Auditor Team (s) (please list all including all interviewers):	Ms. Wenjiao ZHU
Lead auditor:	Ms. Wenjiao ZHU
Team auditor:	None
Interviewers:	Ms. Wenjiao ZHU
Report writer:	Ms. Wenjiao ZHU
Report reviewer:	Alison Dsouza
Audit Company Report Reference:	535350
Date of declaration:	17 th November, 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 <i>(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.	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		1		Ob: <i>The company did not communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to some appropriate parties.</i>
0B Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1			NC: <ul style="list-style-type: none"> <i>The company didn't have a written policy or procedure specific to land rights.</i>
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				.
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				.
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3			NC: <ul style="list-style-type: none"> <i>Some chemicals such glue used in wick making area did not have second container.</i> <i>One worker in wick making area did not wear provided mask or earplugs properly.</i> <i>The company did not post the first aiders contact information publicly.</i>

4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				•
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1			<p>NC:</p> <ul style="list-style-type: none"> According to social insurance receipt of October 2018, the company purchased social insurance for 8 out of 36 workers.
6	<u>Working Hours</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1			<p>NC:</p> <ul style="list-style-type: none"> The overtime hour was over 36h/m for 100% of 10 sampled workers in September 2018 and December 2017, at most 53 hours.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				•
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				•
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				•
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				•
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				•
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				•
10B4	<u>Environment 4-Pillar</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1			<p>NC:</p> <ul style="list-style-type: none"> The company did not compile EIA documents for assessing detailed environmental impacts and relevant protective measures. Their main products were bamboo torch, and the main processes were: wick making, hand making, inspection and packing.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1		<p>Ob:</p> <ul style="list-style-type: none"> The company did not communicate

												<p><i>their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</i></p>
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General observations and summary of the site:

The company was established in December 2015. The production processes as below: wick making, hand making, inspection and packing. 7 NCs and 2 Obs were raised in the audit. 1 Ob raised for Universal Rights covering UNGP issue, 1 NC raised for Management systems and code implementation issue, 3 NC raised for H&S issues, 1 NC raised for Living Wages and Benefits issue, 1 NC raised for Working Hours issue, 1 NC raised for Environment 4-pillar issue, 1 Ob issued on Business Ethics issue.

**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:	W.C. Bradley Company		
B: Site name:	Pingjiang Lianyunjiefeng Bamboo Products Co., LTD		
C: GPS location: (if available)	<table border="1"> <tr> <td>GPS Address: Zhenghuang Village, Anding Town, Pingjiang County, Yueyang City, Hunan Province</td> <td>Latitude: 28°3' Longitude: 113°39'</td> </tr> </table>	GPS Address: Zhenghuang Village, Anding Town, Pingjiang County, Yueyang City, Hunan Province	Latitude: 28°3' Longitude: 113°39'
GPS Address: Zhenghuang Village, Anding Town, Pingjiang County, Yueyang City, Hunan Province	Latitude: 28°3' Longitude: 113°39'		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license no.: 91430626MA4L26E776 Valid from 15 th December, 2015 to 14 th December, 2045.		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc.	Bamboo Torch		

<p>F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)</p>	<p>The company was established in December 2015. It was located at Zhenghuang Village, Anding Town, Pingjiang County, Yueyang City, Hunan Province, China. The company rented the location from local village committee, including one 2-storey and one flat production building, one flat office building, three flat warehouse buildings. No dormitory, kitchen or canteen was provided. The land area was about 8,000 m². The main processes were: wick making, hand making, Inspection and Packing.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 20%;">Production Building no</th> <th style="width: 50%;">Description</th> <th style="width: 30%;">Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Production with two floors</td> <td>1F: warehouse, hand making area; 2F: hand making area, packing area;</td> <td>1,520 m2, finished in April 2016</td> </tr> <tr> <td>Production with one floor</td> <td>Wick making area</td> <td>450 m2, finished around 1970s</td> </tr> <tr> <td>Warehouse with one floor</td> <td>Warehouse</td> <td>135 m2, finished around 1970s</td> </tr> <tr> <td>Warehouse with one floor</td> <td>Warehouse</td> <td>234 m2, finished around 1970s</td> </tr> <tr> <td>Warehouse with one floor</td> <td>Warehouse</td> <td>120 m2, finished in April 2016</td> </tr> <tr> <td>Office with one floor</td> <td>Office</td> <td>184 m2, finished around 1970s</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table> <p>Visible structural integrity issues (large cracks) observed?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Please give details: NA</p> <p>Does the site have a structural engineer evaluation?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Please give details: NA</p>	Production Building no	Description	Remark, if any	Production with two floors	1F: warehouse, hand making area; 2F: hand making area, packing area;	1,520 m2, finished in April 2016	Production with one floor	Wick making area	450 m2, finished around 1970s	Warehouse with one floor	Warehouse	135 m2, finished around 1970s	Warehouse with one floor	Warehouse	234 m2, finished around 1970s	Warehouse with one floor	Warehouse	120 m2, finished in April 2016	Office with one floor	Office	184 m2, finished around 1970s	Is this a shared building?	No	
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Is this a shared building?	No																								
<p>G: Site function:</p>	<p> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider </p>																								

	<input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	Not obvious
I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i>	Wick making, hand making, inspection and packing. Main equipment including : 2 wick making machines, 2 ovens, 2 wick cutting machines and 3 packing machines etc. Only one packing line in the company.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation NA
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers NA
N: Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details NA

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:30 Day 1 Time out: 17:00	Day 2 Time in: 08:00 Day 2 Time out: 12:00	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1 auditor X 1.5 days = 1.5 man days on site and 0.5 man days off site		
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 If other, please 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 Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Lianzhuan LI, vice general manager		
H: Is further information available (If yes please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	None		
J: Previous audit type:	NA		
K: Were any previous audits reviewed for 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 <i>(only complete if no worker reps present)</i>	NA					
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no trade union in the company.					

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*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	14	0	0	0	0	0	0	14
Worker numbers – female	22	0	0	0	0	0	0	22
Total	36	0	0	0	0	0	0	36
Number of Workers interviewed – male	4	0	0	0	0	0	0	4
Number of Workers interviewed – female	6	0	0	0	0	0	0	6
Total – interviewed sample size	10	0	0	0	0	0	0	10

A: Nationality of Management	Chinese
B: Nationality of workers <i>Please add more rows as applicable</i>	Countries: Country 1: __Chinese____ Country 2: _____ Country 3: _____
C: For the majority nationality of workers:	Nationality 1 approx % total workforce __100%____ Nationality 2 approx % total workforce _____ Nationality 3 approx % total workforce _____
D: Worker remuneration (<i>management information</i>)	_____% workers on piece rate __100%__% hourly paid workers _____% salaried workers Payment cycle: _____% daily paid _____% weekly paid

	<p>__100%__% monthly paid _____% other If other, please give details</p>
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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>	1 group of 4 interviewees
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 no, please give details: NA
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?	Most of workers were satisfied for the condition in the company.
I: What did the workers like the most about working at this site?	Most workers were from nearby; the overtime was not too much, they could balance home and work well.
J: Any additional comment(s) regarding interviews:	Workers stated that they were satisfied to working hour arrangement.
K: Attitude of workers to hours worked:	Workers stated that they were satisfied to working hour arrangement; they could balance home and work well.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, please give details: NA</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

All 10 workers were interviewed. Workers stated that management was very kind to them. The working hour was suitable for them. Most workers were satisfied with the salary. They had no negative comment to the company.

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

No Trade union was in the company. Two employee representatives from different areas were elected. One employee representative was interviewed; who stated the workers seldom had comments.

O: Attitude of managers:

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

Management showed their positive attitude to the audit. And main relevant management had attended the audit. The Management representative accepted the NCRS raised in the audit and promised to close the NCRS in required time.

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:

The human right policy was established and endorsed by the senior manager. It is communicated to all employees and suppliers. ETI requirement was communicated to all suppliers. Mr. Lianzhuan LI, vice general manager was appointed as the management representative.

The company did not communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. Please refer to below NC for details.

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

SA manual and SA procedures

Any other comments:

None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details (mainly applicable for the parent company): The SA policy was established. It stated to respect the human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

concerning Human Rights?	Please give details: Name: Mr. Lianzhuan LI Job title: vice general 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 confidential channel in employee complaint method, SA-39 was established. Suggestion box, designated person (general manager and employee representative) was available at the workshop.
D: 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: NA
E: 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: Privacy procedure was established in employee complaint method, SA-39.

Findings	
<p>Finding: Observation <input checked="" type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: The company did not 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>Local law or ETI/Additional elements / customer specific requirement: 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>Comments: It is recommended to the company to 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>Objective evidence observed: Document review Management interview</p>

Good examples observed: Nothing to report	
Description of Good Example (GE):	Objective Evidence Observed:

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: 2017 (Oct-Dec) ___3___ %	This year 2018 (Jan-Nov) ___9___ %
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 st 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 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: 2017 (Oct-Dec) ___0___ %	This year: 2018 (Jan-Nov) ___0___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0	0
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Recent 2 years' injury records were provided for review; no injury 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: 2017 0	This year: 2018 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:
 Mr. Lianzhuang LI, vice general manager was appointed as the management representative. SA manual and SA procedures were established. The SA procedures were communicated to workers and pasted in the prominent place in the company.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
 Management representative appointment record
 SA manual and SA procedures
 SA commitment signed by main suppliers and investigation from suppliers.
 Training records for the employees: new employee training; H&S training for existing employees.
 Real estate certificate

Any other comments:None

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any fine for non-compliance to regulation
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The procedures were established in the company.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	ETI management system was implementing in the company. The procedures were implementing.
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 give details: The training was performed

	on discrimination, harassment & abuse etc.
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 give details: Training records on 9 th August, 2018 were reviewed.
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 give details: NA
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Haoping PAN, HR manager in charge of HR department in this company.
H: Is there a senior person /manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Lianzhuan LI, vice general manager was appointed as the management representative.
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy was established.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy was established. Confidential information was kept well, the workers files are locked.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Internal audit was conducted on 4 th June, 2018; policy and procedures effectiveness were evaluated.
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 Please give details: The company had conducted risk assessment in 2018, including risk identification and correction action etc.
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 Please give details: The code had been communicated to suppliers. And the commitments had been signed by the suppliers.
Land rights	
N: Does the site have all required land rights licenses	<input checked="" type="checkbox"/> Yes

and permissions (see SMETA Measurement Criteria)?	<input type="checkbox"/> No Please give details: The factory rented the location from local village committee; the land using certificate no.: (1998)0266.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The company did not have such system to conduct legal due diligence.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how does the company obtain FPIC: The company did not establish relevant written policy or procedure specific to land right.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The company rent the location from local village committee. Rent contract and land right certificate were provided for review.
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The company did not have relevant land right policy.
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 Please give details: No illegal building or expansion or footprint was found.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: The company didn't have a written policy or procedure specific to land rights.</p> <p>Local law and/or ETI requirement: 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with</p> <p>Recommended corrective action: It is recommended the company to establish land right policy in compliance the code.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Document review Management interview</p>

Observation:	
Description of observation: Nothing to report Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed: Nothing to report	
Description of Good Example (GE):	Objective evidence observed:

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:

The company had established forced labour policy. Copies of ID were kept in the personnel files. No deposit was required and the original ID card was not kept by the company. Workers could free to leave after 30 days of notice time or 3 days in probationary period.

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

SA manual and procedures
 Company regulation;
 The resignation application forms in 10/2017~11/2018 were reviewed.
 10 workers' files were reviewed.

Any other comments:
 None

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

<p>G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please describe finding: No restriction was found at the end of the work day.</p>
<p>H: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give details and category of workers affected: Forced labour policy was communicated to suppliers. The supplier investigation by telephone or on site audit was performed for key suppliers.</p> <p><input type="checkbox"/> Not applicable</p>
<p>I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe finding: ETI management system was implementing in the company. Forced labour policy was established.</p>

Non-compliance: Nothing to report	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>

Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report
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Description of Good Example (GE):	Objective evidence observed:
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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:

No trade union was in the company. Two employee representatives from different areas were voted by workers. The meeting between employee representatives and management was performed every three months..

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

Details:

Worker representative election control procedure
 Voting record for the employee representative on 13th April, 2018;
 Meeting records of employee representative and management, the last one was taken on 12th October, 2018;

Any other comments:
 None

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

<p>than union/worker committee e.g. H&S, sexual harassment)</p>	<p>company. Regularly meeting was performed between employee representatives and management.</p> <p>Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: paste the worker representatives in the bulletin board.</p>	
<p>F: Name of union and union representative, if applicable:</p>	<p>None</p>	<p>Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>Employee representative</p>	<p>Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All workers were aware of their representative.</p>	
<p>I: Were worker representatives freely elected?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date of last election: 13th April, 2018</p>	
<p>J: Do workers know what topics can be raised with their representatives?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Workers claimed that all topics about unsatisfactory or team work etc. could be raised.</p>	
<p>K: Were worker representatives/union representatives interviewed?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: 2 worker representatives were in the company. One worker representative was interviewed in the audit.</p>	
<p>L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.</p>	<p>The last meeting minutes were available. The last meeting was performed on 12th October, 2018.</p>	
<p>M: Are any workers covered by Collective Bargaining Agreement (CBA)?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA</p>	
<p>If Yes, what percentage by trade Union/worker representation</p>	<p><u>NA</u> % workers covered by Union CBA</p>	<p><u>NA</u> % workers covered by worker rep CBA</p>
<p>If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA</p>	

Non-compliance: Nothing to report	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>

Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective evidence observed:</p>

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:

The H&S policy was established in the company. The internal audit was conducted in 4th June, 2018. The control methods were determined;

Mr. Lianzhuan LI, vice general manager, was appointed as H&S representative;

Accident records of recent two years were provided for review;

Fire drill was performed twice in recent one year. The last one was conducted on 16th March, 2018 and 25th October, 2018;

Fire facilities were maintained well in the company;

The company had inspected and checked electrical wires regularly;

The ventilation, temperature, hygiene in the workshop was maintained well;

2 First aiders were provided in the company;

H&S training plan was established and implemented;

Sufficient fire equipment was sufficiently installed and maintained in the company;

Only small amount of chemicals such as lubricating oil and glue were used on site; MSDS, label and eye wash station were available on site; however no second container provided for some chemicals, please refer to below NC for details;

Occupational hazard factors inspection was issued on 16th August, 2018;

No special appliance was used in the company;

Local fire control institution would inspect the company irregularly, relevant inspection report was provided For review;

Construction project completion and acceptance certificate for the 2-storey production building was provided for review;

The company had provided proper PPE such as mask and earplugs for workers, however one worker did not wear it properly, please refer to below NC for details;

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

Details:

Local fire control institution inspection report for whole company issued on 30th August, 2016;

Construction project completion and acceptance certificate for the 2-storey production building issued on 10th April, 2018;

HS policy;
 HS committee chart;
 Risk assessment records in 2018;
 Fire drill records on 16th March, 2018 and 25th October, 2018;
 Injury record in recent 2 years;
 H&S training plan in 2017 and 2018;
 H&S training record on 9th August, 2018;

Any other comments:
 None

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The company had established H&S policy and communicated with workers. The H&S condition was maintained well.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The policy was stated in the worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No any structural additions without required permits/inspections.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Visitors were informed for the H&S and provided PPE.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No medical room in the company. This is not required by local law. There were 2 trained medical aiders in the company.</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>Please give details: There were 2 trained medical aiders in the company.</p>

G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No transportation was provided.
H: Is secure personal storage space provided for workers in their living space and is it fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
I: Are H&S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Risk assessment was conducted and the control methods were determined.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No waste water or waste gas generated from production process; the company would compile EIA documents in recent months.
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 give details: No banned chemicals were used.

Non-compliance:

1. Description of non-compliance:

NC against ETI
 NC against Local Law
 NC against customer code:
 Some chemicals used in colour printing area did not have second container.

Local law and/or ETI requirement

Regulations on the Safety Management of Dangerous Chemicals (article 20), The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc..

Recommended corrective action:

It is recommended to the company to provide second container for all chemicals used on site.

2. Description of non-compliance:

Objective evidence observed:

(where relevant please add photo numbers)
 1. On site observation
 Workers interview
 Management interview
 Please refer to below photo of NC

2. On site observation

<input type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: About 10% workers did not wear provided gloves or masks. Local law and/or ETI requirement: Law of the PRC on Work Safety (article 42), manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment. Recommended corrective action: It is recommended to the company to train and supervise all employees to wear PPE properly. 3. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: The company did not post the first aiders contact information publicly. Local law and/or ETI requirement: ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: It is recommended the company to post the first aiders contact method publicly, and ensure workers could contact them immediately.	Workers interview Management interview Please refer to below photo of NC 3. On site observation Management interview Please refer to below photo of NC
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Observation:	
Description of observation: Nothing to report Local law or ETI requirement: Recommended corrective action:	Objective evidence observed:

Good Examples observed: Nothing to report	
Description of Good Example (GE):	Objective Evidence Observed:

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:

Child labour policy was established. Employees are required to be no less than 16 years old. ID card will be checked in the recruitment process;
 All workers' files were checked. The copies of ID card were kept in the personal files. The youngest employee was born on 5th June, 1990, joined the company on 15th February, 2017. No child labour or young worker was in the company;
 Most workers were from nearby; the average age of workers was about 45 years old.

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

SA procedures including child labour procedure
 Newest name list;

Any other comments:
 None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	28 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	NA %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please give details NA

Non-compliance: Nothing to report

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>
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Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

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:

Wage payment policy was established;
 The lowest basic wage was RMB1450 Yuan/month in the company. It was above the legal requirement by local government. Peak season was not obvious. All 10 workers' wage payment records in September 2018, April 2018, and December 2017 were reviewed;
 Sick leave, marriage leave, maturity leave and annual leave were provided to employees;
 Social insurance was not provided for all employees, please refer to below NC for details;
 Discipline action record was checked. No wage deduction was used for the discipline action.

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

Working hours and wages management procedure;
 Company regulation;
 The wage payment records in September 2018, April 2018, and December 2017 for all 10 sampled workers;
 The social insurance invoices;
 Sick leave, marriage leave, maturity leave, annual leave;
 Discipline action record this year

Any other comments:
 None

Non-compliance:

1. Description of non-compliance:

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

According to social insurance receipt of October 2018, the company purchased social insurance for 8 out of 36 workers.

Local law and/or ETI requirement:

Social Insurance Law of the People's Republic of China, (Article 10) Employees

Objective evidence observed:

(where relevant please add photo numbers)
 Social insurance receipt review
 Management interview
 Employee interview

shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. (Article 23) Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. (Article 33) Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. (Article 44) Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. (Article 53) Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Recommended corrective action:
It is recommended to the company to ensure all employees participate in social insurance according to the Law.

Observation:	
Description of observation: Nothing to report Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed: Nothing to report	
Description of Good Example (GE):	Objective Evidence Observed:

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 40 hours per week	40 hours per week	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours a day, 36 hours a month	Max 1 hour a day, max 53 hours a month	<input type="checkbox"/> Yes <input type="checkbox"/> No NA

<p>C: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: RMB1280 Yuan/month, 7.36 Yuan/hour</p>	<p>1450 Yuan/month; 8.33 Yuan/hour</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA</p>
<p>D: overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: RMB 11.03 Yuan/hour for the OT in working day RMB14.71 Yuan/hour for the OT in rest day RMB22.07 Yuan/hour for the OT in holiday</p>	<p>RMB 12.50 Yuan/hour for the OT in working day RMB 16.67 Yuan/hour for the OT in rest day RMB 25.00 Yuan/hour for the OT in holidays</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA</p>

<p style="text-align: center;">Wages analysis: <i>(Click here to return to Key Information)</i></p>		
<p>A: Were accurate records shown at the first request?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>If No, why not?</p>	<p>NA</p>	
<p>B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i></p>	<p>10 sampled workers in September 2018 (current month) 10 sampled workers in April 2018 (random month) 10 sampled workers in December 2017 (random month)</p>	
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>If Yes, please give details: NA</p>
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>If No, please give details: NA</p>
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above</p>	<p>Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> All workers are paid above legal minimum wages. The lowest actual wages was RMB 2563, including basic wage RMB1450, OT wages 833.33, food bonus: RMB 180, full attendance bonus: RMB100.</p>
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>All workers' wage was paid above the legal minimum wage.</p>	<p>___% of workforce earning under min wage ___% of workforce earning min wage __100__% of workforce earning above min wage</p>

<p>F: Bonus scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i> Food bonus, attendance bonus and service bonus</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Personal income tax and Social Insurance</p>		
<p>I: Have these deductions been made? Please list all deductions that have/have not been made.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Please list all deductions that have been made.</p>	<p>1. Social insurance; 2. Please describe:</p>
		<p>Please list all deductions that have not been made.</p>	<p>1. Social insurance was not covered all workers. 2. Please describe:</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> Poor record keeping <input checked="" type="checkbox"/> No <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:		
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Payrolls and workers interview		
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time: NA		
<p>If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: NA		
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA		

<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 Please give details: Payrolls</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, please 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:

The working hours records were reviewed. Employees worked overtime on voluntary. Fingerprint system was used in the company. All workers worked for one shift, the normal working hour was: 7:30~11:30, 13:00~17:00. Peak season was not obvious;

Workers could have one day rest per week. Sunday usually was the rest day and normally overtime on Saturday;

The working hour was within 60 hours/week in 09/2018, 04/2018 and 12/2017. The maximum working hour was 53 hours/week;

The overtime hour was over 36h/m for 100% of 10 sampled workers in September 2018 and December 2017, at most 53 hours. Please refer to below NC for details.

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

SA procedures including working hour procedure;

All 10 workers' working hour record of 09/2018, 04/2018, 12/2017;

Attendance records;
Production records;

Any other comments:
None

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: The overtime hour was over 36h/m for 100% of 10 sampled workers in September 2018 and December 2017, at most 53 hours.</p> <p>Local law and/or ETI requirement: PRC Labour Law (article 41) The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p> <p>Recommended corrective action: It is recommended the company to ensure the monthly overtime hours not exceeding 36 hours in compliance the code or apply for comprehensive working hour's approval from local government.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Attendance records Management interview Workers interview</p>

Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

Working hours' analysis
Please include time e.g. hour/week/month

<i>(Go back to Key information)</i>		
Systems & Processes		
A. What timekeeping systems are used: time card etc.	<i>Describe: Fingerprint identification system</i>	
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If no, please give details</i>	
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</i>	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If YES, please complete as appropriate:</i>	
	<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other	
	<i>If "Other", Please define:</i>	
	NA	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, please detail hours, %, types of workers affected and frequency</i> Please give details: NA	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	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
	<i>Maximum number of days worked without a day off (in sample):</i>	
	6 working days	
Standard/Contracted Hours worked		

G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency: NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, please give details:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	12 hours/week in September 2018 9 hours/week in April 2018 13 hours/week in December 2017
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___80___%	
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: The working hour records were checked, workers were interviewed, contracts were reviewed, and production records were reviewed.
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 standard wages: Not less than 150% of normal wage in weekdays. Not less than 200% of normal wage in rest days. Not less than 300% of in holidays in holidays.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please describe % of workers & frequency: 100% workers were paid 150% and 200% normal wage in weekdays and rest day work respectively. There was no overtime work at holidays. The overtime wage was paid monthly.

<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input checked="" 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</p> <p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>NA</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> Overtime is voluntary <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)</p> <p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>NA</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please give details: Attendance records and workers interview</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

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:

Discrimination policy was established in the company.
 The recruitment advertisements were checked. The job descriptions were checked.
 Most workers were from nearby, no discrimination was found. Promotion process in the company regulation stated that the promotion was based on the performance.

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

Prevent forced labour, discrimination and harassment control procedure
 Job description
 Recruitment advertisements
 10 workers were interviewed.

Any other comments:None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: <u>80</u> % Female <u>20</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	None
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 NA

Professional Development

A: What type of training and development are available for workers?	Quality management training, H&S training was available for workers, machine and equipment reforming
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<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please give details: NA</p>
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Non-compliance: Nothing to report	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>

Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

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:

All the employees signed labour contract with company. The labour contracts were in compliance with legal requirements.

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

The labour contracts of all 10 workers were reviewed.

10 workers were interviewed.

Any other comments:

None

Non-compliance: Nothing to report

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>
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Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

Responsible Recruitment

All Workers	
<p>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?</p>	<p><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:</p>
<p>B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe details and specific category(ies) of workers affected: NA</p>

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 – please give details NA
D: If any checked, give details:	NA

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national 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</i>	
A: Type of work undertaken by migrant workers:	None
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: Total number of (outside of local country) recruitment agencies used NA
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: NA Observations: NA
D: Are any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No NA If yes number and example of roles:

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No None
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 – please give details NA
C: If any checked, give details:	NA

Agency Workers (if applicable)	
<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):	None Names if available: NA
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA Please give details:
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 NA Please give details:

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

8A: Sub-Contracting and Homeworking:

<p>8A: Sub-Contracting and Homeworking (Click here to return to NC-table) (Click here to return to Key Information)</p>
<p>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. <i>Note to auditor on homeworking:</i> <i>Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.</i> <i>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</i></p>

<p>Current Systems and Evidence Examined <i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems: No sub-contracting or homeworking was used in the company.</p> <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Management interview Production records review Worker interview</p> <p>Details: None</p>

<p>Non-compliance: Nothing to report</p>	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI /Additional Elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>

<p>Observation:</p>

<p>Description of observation: Nothing to report</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>
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Good Examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

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

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

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

9: No Harsh or Inhumane Treatment is Allowed

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

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The employees can report to local labour bureau</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>The contact channel was communicated to workers on cupboard.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline, email, suggestion box could be used.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other Please give Details: Workers could use suggestion box, worker representative if they had a grievance.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: NA</p>
<p>F: Does the site encourage its business partners (e.g., suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain: NA</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: NA
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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:
 Discipline rules were established in the company. It stated in the company regulation.
 The disciplinary practices include warning, minor fault, major fault and dismissal specified. No wage deduction will be taken for discipline action.
 No discipline action was taken in the past year.
 No physical abuse, threat of physical abuse, sexual abuse of harassment was found in the company.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
 Details:
 Discipline rules in the company regulation
 Discipline record
 Worker interview

Any other comments:
 None

Non-compliance: Nothing to report

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>
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Observation:	
<p>Description of observation: Nothing to report</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nothing to report	
Description of Good Example (GE):	Objective Evidence Observed:

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:

No immigration worker has been used in the company. All workers have legal right to work in the country.

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

Copy of ID cards in the personnel files
 Labour contracts

Any other comments:
 None

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Observation:

<p>Description of observation: Nothing to report</p> <p>Local law or ETI/Additional Elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>
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<p>Good examples observed: Nothing to report</p>	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

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:

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

Details:

Any other comments:

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

<p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p>	
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Observation:	
<p>Description of observation:</p> <p>Local law or ETI/additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

10. Other issue areas 10B4: Environment 4–Pillar

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

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site’s efforts to improve environmental performance.

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

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

Current systems:

The company did not compile EIA documents yet, please refer to below NC for details;

The main production was bamboo torch, the main processes were: wick making, hand making, inspection and packing;

There was only some noise generated through wick making area, no waste gas, waste water or hazardous waste generated through production process; it was confirmed through site tour and management interview;

The company had communicated their environmental policy, covering their environmental impact to all appropriate parties.

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

Details:

Environmental policy;

Environment and safety manual;

SA commitment signed by appropriate parties including environment requirement;
 Any other comments:
 None

Non-compliance:

1. Description of non-compliance:

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

The company did not compile EIA documents for assessing detailed environmental impacts and relevant protective measures. Their main products were bamboo torch, and the main processes were: wick making, hand making, inspection and packing.

Local law and/or ETI/Additional Elements requirement:

PRC Environmental Impact Assessment Law (Article 16), the state conducts systematic management over the Environmental Impact Assessment of construction projects in accordance with the degree of impact on the environment. Construction units shall compile Environmental Impact Report, Environmental Impact Report Form or fill out Environmental Impact Registration Form (hereinafter referred to as Environmental Impact Assessment Documents) under the following rules: (3) For those that have very little environmental impact and do not need any Environmental Impact Assessment, Environmental Impact Registration Form shall be filled out.

Recommended corrective action:

It is recommended to the company to compile EIA document as per legal requirement.

Objective evidence observed:

(where relevant please add photo numbers)

Document review
 Management interview

Observation:

Description of observation:

Nothing to report

Local law or ETI/Additional elements requirements:

Comments:

Objective evidence observed:

Good examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Haoping PAN, HR manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental risks were identified.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available? Yes, the policy was posted on cupboard.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The commitment to improvement and the legal requirement is available.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
H: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA, the company did not compile EIA documents yet, please refer to above NC for details.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Please give details: no hazardous chemicals were used in the company.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: the company did not compile EIA documents yet, please refer to above NC for details.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reduction targets for targets Water consumption and electric consumption were available.
L: Facility has evidence of waste recycling and is	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

monitoring volume of waste that is recycled.	Please give details: NA	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The consumption of water and electricity was monitored.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No such sub-contracting agencies or business partner in this site.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: __2017 (Jan-Dec)__	Current Year: Please state period: __2018 (Jan-Nov)__
Electricity Usage: <i>Kw/hrs</i>	24,600	21,306
Renewable Energy Usage: <i>Kw/hrs</i>	0	0
Gas Usage: <i>Kw/hrs</i>	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	NA	NA
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> • City tap water • • 	<ul style="list-style-type: none"> • City tap water • •
Water Volume Used: <i>(m³)</i>	136	129
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> • Municipal waste water pipe • • 	<ul style="list-style-type: none"> • Municipal waste water pipe • •
Water Volume Discharged: <i>(m³)</i>	Only domestic waste water generated	Only domestic waste water generated
Water Volume Recycled: <i>(m³)</i>	0	0
Total waste Produced <i>(please state units)</i>	0.8 ton	0.76 ton
Total hazardous waste Produced: <i>(please state units)</i>	0	0

Waste to Recycling: <i>(please state units)</i>	0	0
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	1,360,000 pieces	1,270,000 pieces

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

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.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

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.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

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.

10C. Guidance for Observations

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.

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

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

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:

Business policy is established and informed all employees.

The confidential report channel was established. The management representative Mr. Lianzhuan LI, vice general manager was appointed.

The company had communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to their appropriate parties.

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

Details:

No-bribery policy has established and pasted in bulletin board.

Any other comments:

None

Non-compliance: Nothing to report	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>

Observation	
<p>Description of observation: The company did not 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>Local law or ETI/Additional elements requirement: 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>Comments: The company 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>Objective evidence observed: Document review Management interview</p>

Good examples observed: Nothing to report	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details: The Company had established a Business Ethic Procedure.</p>
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<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The ethics training had covered all relevant personnel on 15th August, 2018;</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: on regular basis.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No such requirement.</p>

Other Findings Outside the Scope of the Code
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No specific

Community Benefits

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

No specific

Appendix 1

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

Not Applicable please x

NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.

Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.

ETI Code / Additional Elements

Customer's Supplier Code equivalent

0.A. Universal Rights covering UNGP

0.A. Universal Rights covering UNGP

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.

0.B. Management Systems & Code Implementation

0.B. Management Systems & Code Implementation

0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<p>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<p>ETI 3. Working conditions are safe and hygienic</p>	<p>ETI 3. Working conditions are safe and hygienic</p>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>ETI 4. Child labour shall not be used</p>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<p>ETI 5. Living wages are paid</p>	<p>ETI 5. Living wages are paid</p>
<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>	
<p>ETI 6. Working Hours are not excessive</p> <p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	<p>ETI 6. Working Hours are not excessive</p>

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> - this is allowed by national law; - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; - appropriate safeguards are taken to protect the workers' health and safety; and - The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<p>ETI 7. No discrimination is practised</p>	<p>ETI 7. No discrimination is practised</p>
<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>ETI 8. Regular employment is provided</p>	<p>ETI 8. Regular employment is provided</p>
<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>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment 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.</p>	
<p>8A: Sub-Contracting and Homeworking</p>	<p>8A: Sub-Contracting and Homeworking</p>
<p>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.</p>	
<p>ETI 9. No harsh or inhumane treatment is allowed</p>	<p>ETI 9. No harsh or inhumane treatment is allowed</p>
<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. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p>10. Other Issue areas: 10A: Entitlement to Work and Immigration</p>	
<p>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.</p>	
<p>10. Other issue areas 10B2: Environment 2-Pillar</p>	

<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>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
<p>Environment Section</p>	<p>Environment Section</p>
<p>B.4. Compliance Requirements</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>B4. Guidance for Observations</p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
<p>Business Practices Section</p>	

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

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.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

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.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

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.

10C. Guidance for Observations

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.












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.

Photo Form

Adding Images To help keep the size of the Report as small as possible for ease of sending and saving the document we recommend that you use Microsoft Paint to resize your photos. To do so please follow these instructions:

- 1) To start Microsoft Paint, click 'Start', 'Programs', 'Accessories', then 'Paint'.
- 2) Open the image file you wish to edit.
- 3) Click the 'Image' Menu at the top and select "Stretch/Skew Image".
- 4) Choose a percentage figure to resize the image: to avoid distortion, choose the same percentage for horizontal and vertical stretch. Click OK.
- 5) Once you have the desired size, click File > Save As... (To prevent overwriting the original image).
Save As jpeg (this provides compression to make the file smaller).
- 6) Please delete this text once complete.

Company name	Company gate	Company building
Wicking making area	Hand making area	Packing area

		
<p>Warehouse</p>	<p>Fire hydrant and fire extinguishers</p>	<p>Fire alarm and fire extinguishers</p>
		
<p>ETI cupboard</p>	<p>Evacuation map</p>	<p>Drinking water</p>
		
<p>Emergency assembly point</p>	<p>Attendance machine</p>	<p>Suggestion box</p>
		
<p>NC: chemical without second container</p>	<p>NC: workers did not wear mask or earplugs properly</p>	<p>NC: no first aider information on site</p>



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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

[Click here for Supplier \(B\) members:](#)

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

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



SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 404330002	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 405094771	
Business name (Company name):	W.C. Bradley Company			
Site name:	Pingjiang Lianyunjiefeng Bamboo Products Co., LTD			
Site address: <i>(Please include full address)</i>	Zhenghuang Village, Anding Town, Pingjiang County, Yueyang City, Hunan Province	Country:	China	
Site contact and job title:	Mr. Lianzhuang LI, vice general manager			
Site phone:	86-18692193678	Site e-mail:	lyjfli@126.com	
SMETA Audit Type Pillars :	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	12 th -13 th November, 2018			
Audit Company Name & Logo: Bureau Veritas 		Report Owner (payee): W.C. Bradley Company		

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):

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

None

Lead auditor:

Ms. Wenjiao ZHU

Team auditor:

Ms. Wenjiao ZHU

Interviewers:

None

Report writer:

Ms. Wenjiao ZHU

Report reviewer:

Ms. Wenjiao ZHU

Audit Company Report Reference:

Alison Dsouza

Date of declaration:

535350

17th November, 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.

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:30 Day 1 Time out: 17:00	Day 2 Time in: 08:00 Day 2 Time out: 12:00	Day 3 Time in: Day 3 Time out:
B: Number of <u>a</u> uditor <u>d</u> ays <u>u</u> sed:	1 auditor X 1.5 days =1.5 man days on site and 0.5 man days off site		
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 <i>If other, please define:</i>		
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 Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Lianzhuan LI, vice general manager		
H: Is further information available (if <i>yes</i> , please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	None		
J: Previous audit type:	NA		
K: <u>Were</u> any previous audits <u>r</u> eviewed <u>f</u> or 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)	NA		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There was no trade union in the company.		

Guidance:

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing

new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
0B: Management system and Code Implementation Minor	New	The company didn't have a written policy or procedure specific to land rights.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: did not know such requirement	Establish land right policy and procedure in compliance the code.	90 days	Desktop	Yes, Mr. Lianzhuan LI, vice general manager		Open
3: Working Conditions are Safe and Hygienic Major	New	Some chemicals such glue used in wick making area did not have second container.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: management ignorance	Please ensure all chemicals were stored with second container	30 days	Desktop	Yes, Mr. Lianzhuan LI, vice general manager		Open
3: Working Conditions are Safe and Hygienic Major	New	One worker in wick making area did not wear provided mask or earplugs properly.	<input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	Please train and supervise workers to wear provided gloves.	30 days	Desktop	Yes, Mr. Lianzhuan LI, vice general manager		Open

3: Working Conditions are Safe and Hygienic Major	New	The company did not post the first aiders contact information publicly.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: management ignorance	Please post the first aiders contact method publicly, and ensure workers could contact them immediately.	30 days	Desktop	Yes, Mr. Lianzhuan LI, vice general manager		Open
ETI5.1 Wages and Benefits Minor	New	According to social insurance receipt of October 2018, the company purchased social insurance for 8 out of 36 workers.	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	Please ensure all employees to participate the social insurance according to the Law.	120 days	Desktop	Yes, Mr. Lianzhuan LI, vice general manager		Open
6. Working Hours Major	New	The overtime hour was over 36h/m for 100% of 10 sampled workers in September 2018 and December 2017, at most 53 hours.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Excessive workload in hurry time.	The company should ensure the monthly overtime hours not exceeding 36 hours in compliance the code or apply for comprehensive working hour approval from local government.	60 days	Follow up	Yes, Mr. Lianzhuan LI, vice general manager		Open
10. Other issue areas 10B4: Environment 4–Pillar Major	New	The company did not compile EIA documents for assessing detailed environmental impacts and relevant protective measures. Their main products were bamboo torch, and the main processes were: wick making, hand making, inspection and packing.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: The company claimed that the EIA document compile was under process.	The company should compile EIA document as per legal requirement.	60 days	Desktop	Yes, Mr. Lianzhuan LI, vice general manager		Open
			<input type="checkbox"/> Training						

			<input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:						
			<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:						
			<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:						

Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
0A: Universal Rights covering UNGP	New	The company did not communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to some appropriate parties.	Management ignorance	The company shall communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C: Business Ethics	New	The company did not communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.	Did not know such requirement	The company should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

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

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:	Mr. Lianzhuan LI	Title: vice general manager Date: 13 th November, 2018
B: Auditor Signature:	Ms. Wenjiao ZHU	Title: Auditor Date: 13 th November, 2018
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances: None		
E: Signed: <i>(If <u>any</u> entry in box D, please complete a signature on this line)</i>		Title Date
F: Any other site Comments:		

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a “root cause“

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

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

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

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

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