



Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details

Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: NA	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: NA
Business name (Company name):	QUANZHOU KAITAI BAGS CO.LTD.		
Site name:	QUANZHOU SENYA BAGS CO.,LTD.		
Site address: <i>(Please include full address)</i>	No.118 Fanrong Road, Bantou Industrial District, Fuqiao Town, Licheng District, Quanzhou, Fujian, China	Country:	China
Site contact and job title:	Henry Zheng, Assistant Plant Manager		
Site phone:	0595-22490881	Site e-mail:	henry@ktbagsfty.com
SMETA Audit Type:	<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:	06 th to 07 th November 2017		

Audit Company Name & Logo: Bureau Veritas



Report Owner (payee):
QUANZHOU KAITAI BAGS CO.LTD.

Audit Conducted By

Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Retailer	<input type="checkbox"/>	Brand Owner	<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 and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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 SMEIA Methodology are stated (with reasons for deviation) in the SMT IA Declaration.

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

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Management systems and code implementation,
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: ZHIHUA ZHU

Team auditor: NA

Interviewers: ZHIHUA ZHU

Report writer: ZHIHUA ZHU

Report reviewer: Prasad Lohar

Date of declaration: 16th November 2017

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

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

Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			NC Findings Only (note to auditor, summarise in as few words as possible NC's only)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				
0B	Management systems and code implementation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1			<ul style="list-style-type: none"> Three interview workers did not understand ETI code.
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"/>	4			<ul style="list-style-type: none"> The company did not provide health examination to workers who contact chemical air on silk printing workshop. Two workers did not wear active carbon mask in silk printing process during factor tour. Three electrical power switches were not equipped with cover. The company did not provide private lockers for workers about 25% dormitory rooms.
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				

5	Living <u>Wages and Benefits</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1			<ul style="list-style-type: none"> The company provided commercial injury insurance to all workers, but the company only provided the endowment insurance, unemployed insurance, maternity insurance, medical insurance to 49 employees.
6	<u>Working Hours</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1			<ul style="list-style-type: none"> Based on the working hour records and payrolls of workers from Nov. of 2016 to Oct. of 2017, it was found the max monthly overtime of workers was 64 hours every month, it was more than 36 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"/>				
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
General observations and summary of the site:									
Positive finding:									

Top management supports with acceptable attitude on system improvement. Most of interviewed workers are basically satisfied with the factory's situation and benefit. All documentations were requested in a timely manner.

**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:	QUANZHOU KAITAI BAGS CO.LTD.																						
B: Site name:	QUANZHOU SENYA BAGS CO.,LTD.																						
C: Applicable business and other legally required licence numbers and documents for example, business license no, liability insurance, any other required government inspections	Site company's Business license: 91350502671934090C																						
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacture of various types of bags																						
E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The company is located at Quanzhou City, Fujian Province, China. The factory was built at 2008. There are currently about 82 employees in the company.</p> <p>The factory size is about 7000 sq.m.</p> <p>Audit site rent 3 buildings from other company (one 5-storey workshop building, one 4-storey dormitory building and one 1-storey cutting workshop). The main process including cutting, sewing, silk printing, assembly, packaging, inspection.</p> <p>There is 1 product line in the company.</p> <p>No canteen was provided to workers.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Office, Workshop and warehouse</td> <td>Audit site</td> </tr> <tr> <td>Floor 2</td> <td>Workshop</td> <td>Audit site</td> </tr> <tr> <td>Floor 3</td> <td>Workshop</td> <td>Audit site</td> </tr> <tr> <td>Floor 4</td> <td>Workshop</td> <td>Other ribbon factory</td> </tr> <tr> <td>Floor 5</td> <td>workshop</td> <td>Audit site</td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes</td> <td>There were other factories shared the same building. The audited factory management explained that they and other facilities had separate business licenses, with individual financial system, production management and</td> </tr> </tbody> </table>		Production Building	Description	Remark, if any	Floor 1	Office, Workshop and warehouse	Audit site	Floor 2	Workshop	Audit site	Floor 3	Workshop	Audit site	Floor 4	Workshop	Other ribbon factory	Floor 5	workshop	Audit site	Is this a shared building?	Yes	There were other factories shared the same building. The audited factory management explained that they and other facilities had separate business licenses, with individual financial system, production management and
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	<table border="1" data-bbox="643 219 1468 611"> <tr> <td data-bbox="643 219 917 611"></td><td data-bbox="917 219 1181 611"></td><td data-bbox="1181 219 1468 611"> <p>personnel management. And according to the employee interview, they confirmed the situation, and they also stated that the employees in other factories would not flow in each other.</p> </td></tr> </table> <p>Visible structural integrity issues (large cracks) observed and without structural engineer evaluation</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details: The structural safety of all buildings was accepted during factory tour.</p>			<p>personnel management. And according to the employee interview, they confirmed the situation, and they also stated that the employees in other factories would not flow in each other.</p>
		<p>personnel management. And according to the employee interview, they confirmed the situation, and they also stated that the employees in other factories would not flow in each other.</p>		
F: Site function:	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>			
G: Month(s) of peak season: (if applicable)	no			
H: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>Manufacture of bags.</p> <p>The main process including cutting, sewing, silk printing, assembly, packaging, inspection.</p> <p>There is 1 product line.</p> <p>There are 65 sewing equipment, 2 cutting equipment, 3 silk printing equipment etc. in the company.</p>			
I: What form of worker representation / union is there on site?	<p><input type="checkbox"/> Union (name):</p> <p><input type="checkbox"/> Worker Committee</p> <p><input checked="" type="checkbox"/> Other (specify): One worker representative was elected by the workers' themselves.</p> <p><input type="checkbox"/> None</p>			
J: Is there any night production work at the site?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>			
K: Are there any on site provided	<p><input checked="" type="checkbox"/> Yes</p>			

worker accommodation buildings e.g. dormitories	<input type="checkbox"/> No If yes approx. % of workers in on site accommodation: 59% workers were in the onsite dormitory.
L: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
M: Were the site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please give details

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out:17:30	Day 2 Time in: 09:00 Day 2 Time out:13:00	NA
B: Number of Auditor Days Used:	1 auditor * 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 – Define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input checked="" type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not The company did not provide the SEDEX accountant.		
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 Na, The company did not provide the SEDEX accountant.		
G: Who signed and agreed CAPR (Name and job title)	Mr. Jianhui YANG, HR manager		
H: Is further information available(if Y please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	na		
J: Previous audit type:	na		
K: Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	na
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	The company did not establish trade union.

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	39	0	0	0	0	0	0	39
Worker numbers – female	43	0	0	0	0	0	0	43
Total	82	0	0	0	0	0	0	82
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	CHINA
B: Majority nationality of workers	Main countries: Country 1: <u>CHINA</u> approx % total workforce <u>100%</u> Country 2: _____ approx % total workforce _____ Country 3: _____ approx % total workforce _____
C: Worker remuneration (management information)	_____% workers on piece rate <u>100</u> % hourly paid workers _____% salaried workers Payment cycle: _____% daily paid _____% weekly paid <u>100</u> % monthly paid _____% other – please give details

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No One NCR was raised.
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4, 1 groups of 4
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 3 Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	Nil.
I: What did the workers like the most about working at this site?	The company is regular and the benefit was good in the area.
J: Any additional comment(s) regarding interviews:	Nil.
K: Attitude of workers to hours worked:	Positive.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please give details:	
M: Attitude of workers: <i>(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk</i>	
Most of interviewed workers are basically satisfied with the factory's situation and benefit. They had good relationships with their supervisors and managers who treated them with respect. They are relaxed and comfortable. More workers worked in factory more years.	

No negative information was provided from interviewed workers.

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

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

The worker representatives within the facility was freely elected without management interference, they was allowed to carry out activities relating to employees' right and interest without management interference, and was given access to the workplace in order to carry out their representative functions. They provided more positive information, such as on time paid, enough benefit.

O: Attitude of managers:

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

Full access was granted to documentation review, factory tour and employee interview. Locked areas encountered during the audit were unlocked timely. All documentations were requested in a timely manner. At the end of the audit, all the findings were accepted by the factory management.

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 CSR policy was defined on procedure according to relevant requirement.

Mr. Rujian ZHANG (Factory manager) was designated as Management representative to implement standards concerning Human rights.

Stakeholders and salient issues were identified.

The impacts on stakeholders were measured every year.

Corrective action procedure was established to handle adverse impact on human rights.

The relevant procedure was established for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Corrective action procedure, stakeholder form, salient issues form, impact measuring form

A: Policy statement that expresses commitment to respect human rights?

☒ Yes
☐ No

Please give details:

The policy was stated according with all human right elements.

<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Name: Mr. Rujian ZHANG Job title: Factory manager</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The relevant procedure was established.</p>
<p>D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The relevant procedure was established.</p>

Findings: Nothing to report		
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Local law or ETI/Additional elements / customer specific 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>

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: __6__ %	This year __3__ %
B: % Quarterly (90 days) turnover # terminations from the first of the 90 day period through to the last day of the 90 day period / [(# employees on the 1 st of day of 90 day period + # employees on the last day of the 90 day period) / 2]	0%	
C: % absenteeism # of days lost through job absence in the month / [(# employees on 1 st of the month + # employees on the last day of the month / 2] * # available workdays in the month	Last year: __0__ %	This year __0__ %
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: No accident was happened near 12 months.	
F: # work related accidents and injuries per 100 workers [# work related accidents and injuries * 100] / # total workers]	Last year:0 Number: 0	This year:0 Number:0
G: Lost day work cases per 100 workers [(# lost days due to work accidents and work related injuries * 100) / # total workers]	This year:0	Last year: 0
H: % workers that work on average more than 48 hours / week in the last 6 / 12 months	6 months __100__% workers	12 months __100__% workers
I: % workers that work on average more than 60 hours / week in the last 6 / 12 months	6 months __0__% workers	12 months __0__% workers
J: % Workers report that they know what paid leave is due to them (I.e. is it communicated and understood)	__100__% workers	
K: % complaints resolved / grievances responded to.	__na__% complaints / grievances responded to No compliant and grievance were collected near one year.	__na__% complaints / grievances resolved No compliant and grievance were collected near one

		year.
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OB: Management system and Code Implementation

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

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.3 Suppliers are expected to communicate this Code to all employees.
- 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.

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 established the system to deliver compliance to this code, the HR manager was appointed as Management representative to be responsible for the maintaining and improvement of the code. All employees know basic requirement in this code, their main suppliers were noticed the ETI and signed written commitment to the ETI.

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

Details: Training records, Worker interview, supplier's written commitment

Any other comments:

NO

Management Systems:

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

☐ Yes
☒ No
Please describe: NA

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

☒ Yes
☐ No
Please describe: The relevant files was established and defined.

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

The ID card check was used to identify how old the recruit was in the recruit process. ID copy was collected and kept for all employees in the company.
Some employees were sampled on-site. The personal information was available at the HR Dept. No found young workers and child

	<p>workers in the company.</p> <p>No lodge ID card or 'deposits' was required when worker joined the company. The company also doesn't deduct part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.</p> <p>Overtime work is a voluntary choice by employees.</p> <p>Production of workers is from Villages. All of them can get all kinds of job.</p> <p>The disciplinary practice rule defined in employee manual respected to the national laws. The disciplinary regulations include oral warning, written warning and dismissal are defined for employees who don't obey the management regulation, no corporal punishment, mental or physical coercion and verbal abuse was found during audit.</p>
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The requirement of relevant files were trained to all employees, the record was kept well.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: Three interviewed employees did not know the relevant requirement. One NCR was raised.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No certificate was provided by factory.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Mr. Jianhui YANG, HR manager
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Mr. Rujian ZHANG, Factory manager
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The confidential policy was defined.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The confidential information

	management procedure was established.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the risk assessment was conducted.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the relevant action was defined.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the policy was defined.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the business licenses can be provided.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the relevant procedure was established.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC: All land rights of the factory were got from local government. And all land rights are used as industrial, after 50 years the factory must handle the land according to the requirement of local government.
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the factory bought the land from local government and got the land license.
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the factory bought the land from local government and got the land license.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the factory bought the land from local government and got the land license.

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Three interview workers did not understand ETI code.

Local law and/or ETI requirement:

ETI: Suppliers are expected to communicate this Code to all employees.

Recommended corrective action:

The factory shall communicate this Code to all employees by training as confirmed by training records and worker interviews.

Objective evidence observed:

(where relevant please add photo numbers)

Interview and document review

Observation: Nothing to report

Description of observation:

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:

No lodge ID card or 'deposits' was required when worker joined the company. The company also doesn't deduct part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.

Overtime work is a voluntary choice by employees.

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

Details:

document review, and worker interview

Any other comments:

no

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
C: Is there Any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: All staffs can free leave on terminate employment.
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement'. Is there a modern day slavery statement published	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: The worker can leave the site every time free.
F: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: The factory communicated the suppliers with this item. <input type="checkbox"/> Not applicable If yes please give details and category of worker affected
G: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: the policy and procedure were established.

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective evidence observed:

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:

Through the factory management interview and workers' interview, it was noted that No trade union was established and the workers elected one worker representative. Workers can raise their concerns through worker representatives, telephone, suggestion box, meeting and their team leader or above. The last communication meeting was held on Jul., 2017.

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

Details:

document review, and worker interview

Any other comments:

no

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

communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	Describe: H&S committee Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: meeting room	
F: Name of union and union representative, if applicable:	No Trade union was established.	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees? .	The workers elected 1 worker representative.	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 12 Apr. of 2017
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 worker representative	
L: State any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	The last communication meeting was held on 21 Jul., 2017. It was covered wage, overtime, health safety etc. Above 45 minutes were communicated.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No CBA in the facility.	
N: If Yes what percentage by trade Union/worker representation	__na__% workers covered by Union CBA	__na__% workers covered by worker rep CBA
O: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No NA. No CBA in the facility.	

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: **Nothing to report**

Description of Good Example (GE):

Objective evidence observed:

3: Working Conditions are Safe and Hygienic

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

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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:

H&S management system was implementing in the company. Mr. Jianhui YANG was appointed H&S representative.

Fire check and acceptance reports were available for the premises. Construction inspection reports were available.

Fire facilities were inspected monthly. Fire drill was implemented per time half a year. The records showed that the drill covered all building and all shifts in the company. The evacuation maps were available. The passage was kept well.

Fire facility is enough in the area. But there have some issue must be improved.

Workshop air quality inspection report was issued on 24/08/2017.

Clean and sufficient toilets were provided at the factory site.

Portable drinking water was provided to workers.

Health examination was provided to relevant workers every year.

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

Details:

Fire check and acceptance reports were available

Fire facilities maintenance reports were available

Fire drill records: 22/08/2017

Workshop air quality inspection report was issued on 24/08/2017.

Worker health examination was issued on 17 Aug., 2017

1 elevator, valid date: 2017.6.20~2018.6

The building structure safety certificate on 19 Apr., 2005.

The fire safety verified by local fire brigade meet the requirement of local law on 12 Sep., 2005.

<p>A: Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: the relevant requirement was trained to all workers.</p>
<p>B: Are the policies included in worker's manual?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: the policies were defined on manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Details: na</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: the factory provided PPE to visitor.</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: First aid box was provided to all area. It is met with local legal.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: first aider was trained medical aid on every building.</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: Na, no transport was proved to workers.</p>

H: Secure personal storage space is provided for workers in their living space and is fit for purpose	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: the storage space was provided at place.
I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: risk form can be provided.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The company used water from local city water authority and electricity from local city power administration. It was not need permits.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The shoes chemical test report can be provided. The concentration of AZO dyes and formaldehyde were met with the requirement.

Non-compliance:

1. Description of non-compliance:

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

The company did not provide health examination to workers who contact chemical air on silk printing workshop.

Local law and/or ETI requirement:

In accordance with PRC Occupation Prevention Law article 35: the company must provide health examination to workers who contact occupational risk regularly.

Recommended corrective action:

The company must provide annual health examination to all occupation position workers.

2. Description of non-compliance:

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

Two workers did not wear active carbon mask in silk printing process during factor tour.

Local law and/or ETI requirement:

Article 23 of P.R.C occupational disease prevention law: the company must

Objective evidence observed:

(where relevant please add photo numbers)
document review
interview

on site observation

provide PPE to worker to prevent occupational disease risk.

Recommended corrective action:

The company must provide PPE to relevant workers, and carried out a regular inspection to make sure the worker must wear PPE suitably when they operated the relevant equipment.

3. Description of non-compliance:

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

Three electrical power switches were not equipped with cover.

Local law and/or ETI requirement:

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

Recommended corrective action:

All electrical power switches must be installed cover.

on site observation

4. Description of non-compliance:

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

The company did not provide private lockers for workers about 25% dormitory rooms.

Local law and/or ETI requirement:

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

Recommended corrective action:

The company should provide secure storage for personal effects in dormitory.

on site observation

Observation: Nothing to report

Description of observation:

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

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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:

The ID card check was used to identify how old the recruit was in the recruit process. ID copy was collected and kept for all employees in the company.
Some employees were sampled on-site. The personal information was available at the HR Dept. No found young workers and child workers in the company.

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

Employee manual, employment policy, employee name list

A: Legal age of employment	16 years old
B: Age of youngest worker found:	20 years old
C: Children present on workforce but not working at time of audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y give details

Non-compliance: nothing to report

1. Description of non-compliance:

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

Objective evidence observed:

(where relevant please add photo numbers)

<p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	
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Observation: nothing to report	
<p>Description of observation:</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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- 1) All employees are paid at least compliance with local minimum wages; interviewed workers state they are most favourable that they have basic income while taking care of their family.
 - 2) All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment;
 - 3) The workers know about the particulars of their wages for the pay period concerned each time that they are paid. (The company paid last month's wage on the 30th per month)
- Social insurance was provided to all employees.
There were not deductions from wage from pay roll record and worker interview.

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

Wage payment detailed record near one year and delivery record by cash; Employee manual, the insurance purchasing record etc.

Details:

Local minimum wage regulation: 1350 Yuan/month before 01 July, 2017; 1500 Yuan/month since 01 July, 2017;

Non-compliance:

1. Description of non-compliance:

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

The company provided commercial injury insurance to all workers, but the company only provided the endowment insurance, unemployed insurance, maternity insurance, medical insurance to 49 employees.

Local law and/or ETI requirement:

Objective evidence observed:

(where relevant please add photo numbers)

Document review

In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.

Recommended corrective action:

The company must provide the social insurance according with local legal.

Observation: nothing to report

Description of observation:

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 (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 40 hours per week	40 hours per week	<input type="checkbox"/> Yes <input type="checkbox"/> No No Collective Bargaining Agreement in the facility.
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours a day, 36 hours a month	Max 2 hours a day, max 14 hours a week	<input type="checkbox"/> Yes <input type="checkbox"/> No No Collective Bargaining Agreement in the facility.
D: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 1350	1350 Yuan/month	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Yuan/month before 01 July,2017; 1500 Yuan/month since 01 July,2017;	before 01 July,2017; 1500 Yuan/month since 01 July,2017;	No Collective Bargaining Agreement in the facility.
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 1.5 times of normal hour wage for overtime in standard working day, 2 times of normal hour wage for weekends overtime, 3 times of normal hour wage for National holidays overtime	1.5 times of normal hour wage for overtime in standard working day, 2 times of normal hour wage for weekends overtime, 3 times of normal hour wage for National holidays overtime	<input type="checkbox"/> Yes <input type="checkbox"/> No No Collective Bargaining Agreement in the facility.

Wages analysis:		
(Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: If No , why not?	na	
C: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from 12/2016 10 samples from 01/2017(random month) 10 sample from 09/2017 (current month) (The wage was paid on 30 th every next month.)	
D: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes , please give details:
E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If No , please give details:
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	Lowest Wages found: <i>Note: full time employees and please state hour / week / month etc.</i> On Sep. of 2017: 10.06RMB/hour, 1750 RMB/month	Please indicate the breakdown of workforce per earnings: Standard hours wage+ Standard day overtime wage(20h)+ Rest day overtime wage(42h) =1750+301.8+845.04=2896.84 RMB/month Note: the company paid social insurance and Personal income tax; the workers did not need to paid Personal income tax and Social Insurance.
	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	__0__% of workforce earning under min wage __0__% of workforce earning min wage __100__% of workforce earning above min wage
G: Bonus (amount specify)	Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i> No bonus was provided to staffs.	
H: What deductions are required by law e.g. social insurance? Please state all types:	Personal income tax and Social Insurance Personal income tax should be raised if the gross wage is over 3500RMB.	
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please describe:	
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
M: Is there a defined living wage: <i>This is <u>not</u> normally minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: na
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

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:

Normally, five days a week, 8 hours a day, Saturday as overtime and pay two times wage of normal time. Most employees could have one day rest days per week.

All employees work in one shift : 7:30~12:00,13:30~17:00

Employees' wages are calculated on hour rated basis.

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

Employees electric attendance records, employee manual

Non-compliance:

1. Description of non-compliance:

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

Based on the working hour records and payrolls of workers from Sep. of 2016 to Aug. of 2017, it was found the max monthly overtime of workers was 64 hours every month, it was more than 36 hours.

Local law and/or ETI requirement:

Clause 38: the company must protect the health of workers, the max day overtime must be less than 3 hours, and the max monthly overtime must be less than 36 hours.

Recommended corrective action:

The factory should ensure the max monthly overtime must be less than 36 hours.

Objective evidence observed:

(where relevant please add photo numbers)

Document review

Observation: nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

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

G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	2 hours/ day, 14 hours/week, 64 hours/month;
J: Combined hours (standard/contracted plus= total) 60 found?	no	
K: Approximate percentage of total workers on highest overtime hours	___90___%	
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:
		worker interviews
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: 150% for standard day overtime, 200% for rest day overtime
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 and paid every month.
O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations?	<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	

Please complete the boxes where relevant. Multi select is possible.	
	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.--na
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> 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)
	Please explain any checked boxes in R above
	na
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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:

No negative finding. Recruitment announcement, electronic employment advertisement showing in the highest place of production building

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

Details:

Recruitment announcement, electronic employment advertisement showing in the highest place of production building

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: __55__ % Female __45__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	#: 7
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 no

Professional Development

A: What type of training and development are available for workers?	Please give details: quality and safety training were provided to all workers. And the worker can develop to workshop leader if they get more skill on position.
---	--

<p>B: Are HR decisions on 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:</p>
--	--

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

Observation: nothing to report	
<p>Description of observation:</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 employees are permanent, all have labour contracts with the supplier, the purchasing rate of social insurance is approved by local government.

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

Employee manual, labour contract, insurance purchasing records, approval for social insurances.

Non-compliance: nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Responsible Recruitment

All Workers

A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- ☒ Terms & Conditions presented
☒ Understood by workers
☒ Same as actual conditions

If any are unchecked, please describe finding and specific category(ies) of workers affected:

C: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?

- ☐ Yes
☒ No

If Yes Please describe details and specific category(ies) of workers affected

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
C: If any checked, give details:	na

Migrant Workers: na <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>			
B: Type of work undertaken by migrant workers:	na		
C: Migrant worker recruitment	Total number of (in country recruitment agencies) used: Total number of (outside of local country) recruitment agencies used		
D: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<table border="1"> <tr> <td> <input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: </td> <td>Observations</td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations
<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations		
E: Are Any migrant workers in skilled, technical, or management roles Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	#: <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes number and example of roles		

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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
C: If any checked, give details:	NA

Agency Workers (if applicable):na	
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	NA And names if available:
B: Were agency workers' age/pay/hours included within 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 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 describe

Contractors:na

Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: If Y, how many contractors are present
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 NA Please describe finding:
If Yes , please give evidence for contractor workers being paid per law:	NA

8A: Sub-Contracting and Homeworking:

8A: Sub-Contracting and Homeworking

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

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

No subcontracting, homeworking and external processing

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

Factory tour, management interview and employee interview that no sub-contracting & Home-working was used by this factory.

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

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

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: nothing to report

Description of observation:

Local law or ETI/Additional elements requirement:

Comments:

Objective evidence observed:

Good Examples observed: nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Summary of sub-contracting – if applicable

☒ Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting

☐ Yes

☐ No

Please describe:

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

☐ Yes

☐ No

If **Yes**, summarise details:

C: Number of sub-

contractors/agents used	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x			
F: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details:		
G: Number of homeworkers	Male:	Female:	Total:
H: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		
I: If through agents, number of agents			
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
K: How does site ensure worker hours and pay meet local laws for homeworkers?			
L: What processes are carried out by homeworkers?			
M: Do any contracts exist for homeworkers	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
N: 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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Disciplinary practices have defined in Employees manual,
B: If Yes , are workers aware of these channels and have access? Please give details.	The interview workers know the channels.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Comment box, hotline
D: Is there a grievance mechanism in place for:	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other Details: one procedure was established.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details
F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or whistle blowing mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details

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

Current Systems and Evidence Examined <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>
Current systems: There was no disciplinary practice record, but the monthly performance bonus evaluation included the factory rules and will degrade the performance bonus if violating the factory rule.
Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: Disciplinary practices have defined in Employees manual,

Non-compliance: nothing to report	
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: Local law and/or ETI requirement: Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

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

Comments:	
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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:

All employees have the copy of ID card, this means they all are entitled to work. No immigration employees.

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

Details: Copies of ID card

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

Good examples observed: Nothing to report

Description of Good Example (GE):

**Objective Evidence
Observed:**

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 environmental testing report was reviewed, living waste water, air quality in workshop and noise were inspected and met the environmental requirements.

Hazardous waste solid waste was delivered to qualified supplier to handle once a year.

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

Details:

Construction project environmental influence report; approved by Quanzhou City, Environmental protection bureau on 09/05/2012;

Environmental testing report: test date –18 May., 2017;

Non-compliance: nothing to report

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: nothing to report

Description of observation:

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: Responsible for Environmental issues (Name and Position):	Mr. Jianhui YANG , 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 Details: The risk rule was established and the risk assessment was conducted.
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 Details:
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
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 Details: key impacts were recorded.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" 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 Details: na
H: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: valid Pollutant discharge permit can be provided.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details: one chemical controlling procedure was established.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The HR department was charge of collecting the client's requirements and legislation, and transferred the requirement in the internal product standard.
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 Details: The factory had measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use. The relevant record can be provided.
L: Facility has evidence of waste recycling and is	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

monitoring volume of waste that is recycled.	Details: the record was kept well.	
M: Facility has 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: The factory had measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use. The relevant record can be provided.	
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have 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 Details: the record was kept well.	
Usage/Discharge analysis		
Criteria	Current year: Please state period: Jan., ~Oct. , 2017_	Previous Year: Please state period: ____2016 year __
Electricity Usage: Kw/hrs	150000 Kw/hrs	190000 Kw/hrs
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	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: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> • local water authority • 	<ul style="list-style-type: none"> • local water authority •
Water Volume Used: (m³)	4600 m³	5400 m³
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> • Municipal pipe • • 	<ul style="list-style-type: none"> • Municipal pipe • •
Water Volume Discharged: (m³)	4100 m³	4500 m³
Water Volume Recycled: (m³)	0	0
Total waste Produced (please state units)	25.945 tons	33.3 tons
Total hazardous waste Produced: (please state units)	0.275 tons	0.3 tons

Waste to Recycling: <i>(please state units)</i>	1.67 tons	2 tons
Waste to Landfill: <i>(please state units)</i>	24 tons	31tons
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	820000 PCS	980000 PCS

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:

Based on documents review and management interview, it was noted that the factory trained the staff whose job roles carry a higher level of risk e.g. sales, purchasing on Mar. of 2017.

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

Business ethics document, such as employee handbook, procedure and training requirement were established.

Details:

Training was conducted on Mar., 2017.

Non-compliance: nothing to report

1. Description of non-compliance:

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

☐ NC against Local

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation: nothing to report

Description of observation:

Objective evidence observed:

Local law or ETI/Additional elements requirement:

Comments:

Good examples observed: noting to report

Description of Good Example (GE):

Objective Evidence Observed:

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- ☒ Internal Policy
☒ Policy for third parties including suppliers

Please give details: the policy was published.

B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues

Yes. It was conducted on 09 Mar., 2017.

C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: every year
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: the training was conducted.

Other Findings Outside the Scope of the Code

Nothing to Report

Community Benefits

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

Nothing to Report

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.
0.2 Suppliers shall appoint a senior member of

Mondelēz International's Code of Conduct contains important rules we all must follow as we do business, and it describes the values that will guide us in our decisions. We all have to obey

<p>management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	<p>applicable laws, rules, and regulations. Also, we must follow our company policies, including those specific to a business unit, function, and location. Beyond that, the Code of Conduct sets out the ten most important rules that apply company-wide. Our Chief Compliance Officer oversees the company's compliance and integrity program, which addresses the issues covered by the Code of Conduct.</p> <p>The Code of Conduct is available on our public internet site, and is available on our company intranet site in several languages.</p> <p>We also have established Corporate Responsibility Expectations for Direct Suppliers, which we make available on our public internet site. These Expectations are an extension of the principles contained in our Code of Conduct, and we cover them through contract provisions that specifically incorporate our corporate responsibility expectations.</p>
ETI 1. Forced Labour	ETI 1. Forced Labour
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	<p>Mondelēz International prohibits the use of forced labor in our operations, i.e., any work or service that a worker performs involuntarily, including under threat of physical harm or other penalty.</p> <p><u>The Mondelēz International Statement on Human Rights</u> guides our approach. And, in line with the California Transparency in Supply Chains Act (SB 657), our website provides more detail on our efforts to help make a difference in our operations and those of our suppliers.</p>
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	<p>We aim to have constructive relationships with our employees and their unions. Mondelēz International respects the interests of its employees to join (or not join) a union. In those situations where our employees have third-party representation, we will work with employee representatives in a direct and straightforward manner.</p>

ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	<p>We use internal and external expertise to provide a safe work environment. Specifically, we: (i) provide safety training for all employees as required for their work; (ii) establish first aid and medical treatment procedures to provide employees with appropriate care; (iii) conduct careful investigations of accidents to avoid recurrence, and study the safety and health features of any new equipment, materials or process; and (iv) solicit employee involvement and support through safety committees or other avenues for employee input.</p>
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	<p>Mondelēz International prohibits the unlawful employment or exploitation of children in our workplace. In accordance with the conventions of the International Labor Organization (ILO) and national laws, the minimum age for employment is the highest of the following ages: (i) 15 years of age, (ii) the local minimum employment age, or (iii) the mandatory schooling age. All temporary workers used by Mondelēz International and all third-party contractors who perform work on our premises are required to meet these minimum-age requirements.</p>
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary</p>	<p>Except for collective bargaining at union represented facilities, we compensate employees competitively within the labor market and industries in which we compete; provide superior levels of compensation for superior performance; and focus rewards on individual contributions and business results. Further, we provide equal opportunity for advancement to all of our employees.</p>

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.	
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p> <p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	<p>We are expected to, by company standards, adhere to local law, and employee negotiated labour and wage contracts, with regards to working hours, to ensure the safety and health of our employees while supporting our business demands.</p>
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion,</p>	<p>We prize a diverse and inclusive workplace and aim to promote cultural and individual</p>

<p>termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	<p>differences. Mondelēz International does not discriminate in employment or employee treatment based upon any of the following characteristics: race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.</p>
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	<p>We are expected to, by company standards, adhere to local law, industry practices, and employee negotiated labour and wage contracts with regards to labour contracting, while supporting our business demands.</p>
8A: Sub-Contracting and Homeworking	8A: Sub-Contracting and Homeworking
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	








ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	<p>Mondelēz International will not tolerate any form of harassment including harassment based on race, color, religion, gender, age, ethnic or national origin, veteran status, disability, sexual orientation or preference, gender identity, marital status, citizenship status, genetic information, or any legally protected personal characteristic or status.</p>
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
<p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	<p>We are expected to, by company standards, adhere to local law and applicable contracts with regards to contract labor.</p>

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<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</p>	<p>We are expected to, by company standards, adhere to applicable laws. We work to continuously improve our environmental performance by setting and then working toward quantifiable goals that reduce the environmental impact of our activities.</p>




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

Photo Form

Adding Images

		
Company building	Workshop1	Workshop2
		
Workshop3	Workshop4	Workshop5
		
Warehouse1	Warehouse2	Dormitory building

		
fire extinguisher	Emergency exit	Fire hydrant
		
fire alarm	Emergency plan	Emergency assembly point
		
First aid box	Attendance system	Drink water

		
<p>Eye washing facility</p>	<p>Water pressure test on Fire hydrant</p>	<p>Business license</p>



For more information visit: Sedexglobal.com

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

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

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

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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d