

Sedex Members Ethical Trade Audit (SMETA) Report

Version 5.0 Dec 2014, 2/4 Pillar Audit; replaces version 4.0 May 2012

Supplier name:	SHENZHEN RUIXIN GLASSWARE CO., LTD.	
Site country:	China	
Site name:	WENXI WEIHENG ARTS PRODUCTION CO., LTD	
Parent Company name (of the site):	Nil	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar
Date of Audit	31 Mar. 2017	

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 SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - 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 new ETI Working Hours Clause

- Now integrated into this latest SMETA version.

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.





Audit Company Name: SGS-CSTC Standards Technical Services Co., Ltd.	Report Owner (payee): SHENZHEN RUIXIN GLASSWARE CO., LTD.
Sedex Company Reference: (only available on Sedex System)	ZC: 172511345
Sedex Site Reference: (only available on Sedex System)	ZS: Factory not register on Sedex

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

Auditor Reference Number: (If applicable)	N/A
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SMETA Declaration

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

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

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

Lead auditor: Raymond Cui

Team auditor: Nil

Interviewers: Nil

Date: 31 Mar. 2017

Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	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*:		
	ETI Base Code	Local Law	Additional Elements (i.e. not part of ETI code)	NC	Obs	GE
0 Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	1	0
1 Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
2 Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
3 Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		13	0	0
4 Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
5 Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		2	0	0
6 Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		3	0	0
7 Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
8 Regular Employment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		1	0	0
8A Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
9 Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
10A Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
10B2 Environment 2-Pillar		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2	0	0
10B4 Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A
10C Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>		N/A	N/A

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

Summary of Findings

Summary of main findings: (positive and negative)
(Please give a short summary of the main findings per clause)

- The product manufactured in the factory was glassware.
- Mr. Xing Rui / General manager is responsible for compliance with the Code.
- There were total 65 permanent employees in the factory during the audit.
- No Child labour was identified. The youngest worker in the factory was 24 years old, who was born on 23 Jun. 1993 and joined in the factory on 4 Feb. 2017.
- There was 1 worker representative in the factory. The worker representative attended the opening meeting and the close meeting.
- 10 workers were selected for interview. They were interviewed as 1 group of 4 workers and 6 individual workers.
- 10 sampled records were selected to show wages for 12 months in the period from Mar. 2016 to Feb. 2017 and attendance records in the period from Mar. 2016 to audit day.
- Standard working time is 5 days per week and 8 hours a day (7:30~11:30, 13:00~17:00).
- Workers' minimum wages was RMB 1800 per month, which was higher than the local legal requirement RMB 1320 per month. OT wage was paid according to legal requirements.
- All workers were paid by hourly rate. They were paid before 15th of each month.
- No forced labour, discrimination or harassment was identified.
- All emergency exits were unlocked and unblocked with exit signs and emergency lights. Fire drill was conducted at least twice per year. Records were kept well.

Non-compliance:

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- It was noted the factory did not had a management system according to ETI or conduct the internal audit on its social accountability periodically.

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- The factory did not obtain the Building Structure Safety Certificate or Record for any factory building which was constructed in year 2003.
- The factory did not provide Fire Safety license for factory buildings which was constructed in year 2003.
- No trained first aid staffs were available in the factory.
- No register or annual inspection was conducted for one air storage tank with the volume of 2 m³.
- The factory could not provide certificates of the operator and management staff for pressure vessel.
- The factory did not apply occupational hazard test for workshop. (air condition, dust or noise).
- The factory did not provide occupational health examination to workers who were subject to hazardous factors in the past 12 months.
- It was noted that electrical components of two switches were exposed in decal workshop and spray painting workshop.
- It was noted that most fire extinguishers were placed directly on the ground.
- No fire hydrant system was available in any building which was constructed in year 2003. Only fire extinguishers were installed.
- By factory tour, no secondary containment was installed for temporarily stored paint and alcohol in painting workshop. No safety label was posted.
- No eyes washing facility was installed in spray painting workshop.
- No goggle was provided for workers in spray painting position; Only normal mask instead of chemical-proof mask was provided by factory.

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- The factory did not provide five kind of social insurance (injury, unemployment, medical, retirement and maternity insurance) to any worker.
- Workers had statutory holidays and Annual Leave according to attendance records. While, no normal wage was paid for these leaves.

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- The monthly overtime hours of workers exceeded the legal requirement. Based on the attendance records from Mar. 2016 to the audit day, the monthly overtime hours of 5 out of 10 sampled workers exceeded 36 hours and the maximum was 62 hours in Mar, 2017.
- The total weekly working hours of workers exceeded the ETI requirement. Based on the attendance records from Feb, 2014 to the audit day, it was noted that the maximum total weekly working hours 5 out of 10 sampled workers exceeded 60 hours up to 61 in Mar. 2017.
- At least one day off after 6 consecutive days was not provided to workers. Based on the provided attendance records, the consecutive working days of 5 out of 10 sampled workers exceeded six days and the maximum were 16 days from 16 to 31 Mar. 2017.

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- The factory had not signed labor contract with one sampled worker one and a half months after he recruited.

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- The factory could not provide boundary noise monitor report in the past 12 months.
- No document was provided to show that hazardous wastes had been transferred to licensed vendor for disposal.

Observations:

The factory did not conduct the assessment to suppliers on social accountability.

Good examples:

Nil

Remark:

- Polishing process was not in production during the audit.
- The buildings were rent from individual person. Lease contract was provided for audit.

Audit Details

Audit Details			
A: Report #:	JSASCN17673404		
B: Time in and time out (SMETA Best Practice Guidance and Measurement Criteria recommends 9.00–17.00 hrs. if any different please state why in the SMETA declaration)	Day 1 Time in: 9:10 Day 1 Time out: 17:30	Day 2 Time in: Nil Day 2 Time out: Nil	Day 3 Time in: Nil Day 3 Time out: Nil
C: Number of Auditor Days Used: (number of auditor x number of days)	1MD(1 auditor in 1 day)		
D: 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		
E: Was the audit announced? (AAG recommends a window of three weeks for semi-announced, this gives optimum results)	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If No , why not? (Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)	Factory did not complete it.		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Raymond Cui /Leader auditor		
I: Report written by:	Raymond Cui		
J: Report reviewed by:	Pedalo Liu		
K: Report issue date:	Apr 10, 2017		
L: Supplier name:	SHENZHEN RUIXIN GLASSWARE CO., LTD.		
M: Site name:	WENXI WEIHENG ARTS PRODUCTION CO.,LTD 闻喜县伟恒工艺制品有限公司		

N: Site country:	China			
O: Site contact and job title:	Xing Rui/ General manager			
P: Site address: (Please include full address)	No.2 building Licun Industrial Park, Wenxi County, Yuncheng City, Shanxi Province, China. 山西省运城市闻喜县栗村工业园二栋			
Site phone:	86-359-7418236			
Site fax:	86-359-7418236			
Site e-mail:	418856552@qq.com			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Business License No. : 9114082331703919XY Valid date: From 11 Jun. 2014 to 11 Jun. 2034			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Glassware			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	Xing Rui/ General manager			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Xing Rui/ General manager, Zhou Zhangqiang/ worker representative, Ma Hongqun/ H&S director, Lei Jinwei/Administration, Lei Xinkui/Security			
W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) worker representative <input type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	NA			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define: NA			

Audit Scope/Actual Results

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week and month)	Legal maximum: 8 hours per day and 5 days per week. Total 40hours per week.	8 hours per day and 5 days per week. Total 40hours per week.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Legal Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week and month)	Legal maximum: 3 hours per day and 36 hours per month 2432 hours in total for consolidated working hour system	0-2 hours per day and 4~62 hours per month based on attendance records provided by the factory.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Legal age of employment: (Minimum legal and actual minimum age at site)	Legal minimum: 16 years old	24 years old	
D: Legal minimum wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week and month)	Legal minimum: RMB 1320 per month	RMB 1800 per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: Legal minimum overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week and month)	Legal minimum 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	150%, 200% and 300% of regular/normal pay for overtime work on regular weekdays, rest days and statutory holidays respectively according to the records provided by the factory.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Audit Scope

(Please select the code and additional requirements that were audited against during this audit)

2-Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4-Pillar	<input type="checkbox"/>

10C: Business Ethics	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>

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

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

Audit Overview

Audit Overview			
	Management	Worker Representatives	
Audit attendance	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)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	N/A No union was established in the factory.		

F: Site description:
(Include size, location and age of site. Also include structure and number of buildings)

WENXI WEIHENG ARTS PRODUCTION CO., LTD was founded on 11 Jun. 2014 according to the business license review. The factory was located at No.2 building Licun Industrial Park, Wenxi County, Yuncheng City, Shanxi Province. There were one 2-storey building used as office and five 1-storey buildings used as warehouse and production workshop.
Total 65 employees were employed in the factory during the audit. No dormitory or canteen was available in the factory.

Production Building no 1	Description	Remark, if any
2-storey	Office, 120 S. Q. meters	No comment
Is this a shared building?	No	No comment
Production Building no 2	Description	Remark, if any
1-storey	Decoration firing workshop and warehouse, 2100 S. Q. meters	No comment
Is this a shared building?	No	No comment
Production Building no 3	Description	Remark, if any
1-storey	Drawing workshop and polishing workshop, 1100 S. Q. meters	No comment
Is this a shared building?	No	No comment
Production Building no 4	Description	Remark, if any
1-storey	Plating workshop, 1000 S. Q. meters	No comment
Is this a shared building?	No	No comment
Production Building no 5	Description	Remark, if any
1-storey	Plating-2 workshop and warehouse, 1400 S. Q. meters	No comment
Is this a shared building?	No	No comment
Production Building no 6	Description	Remark, if any
1-storey	Material warehouse, 500 S. Q. meters	No comment
Is this a shared building?	No	No comment

G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	Mar. to Apr.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	
<p>The main product manufactured by the factory was glassware.</p> <p>The main production processes are listed as follows:</p> <p>Raw materials → Decoration firing → Painting → Plating → polishing (if needed) → Packing.</p>	
J: Attitude of workers: (Include their attitude to management, workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	
<p>10 workers were selected for interview including 4 male and 6 female employees. They were interviewed as 1 group of 4 and 6 individual workers.</p> <p>Workers interviews were conducted at the independent areas that located at the workshops. Workers showed a cooperative attitude during the interview process and they presented their satisfaction of the working condition and compensations in the factory.</p> <p>They said the factory signed labor contracts with them and gave a copy. No child labor, forced labor, discrimination or harassment issue was identified during interview. All of them joined the fire drill twice per year.</p> <p>They were able to make suggestions to their supervisors, representative or through suggestion box. They felt able to complain directly to their supervisors and worker representative but also felt free to give their general concerns.</p>	
K: Attitude of workers 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	
Interview with the worker representative, he said factory management cared about workers and pay more attention to deal with workers' suggestion or complaint.	
L: Attitude of managers: (Include attitude to audit, and audit process. Both positive and negative information should be included)	
The factory manager agreed the auditor to complete on-site observation, document review. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.	

Key Information

Key Information

(click on the key information title to go to appropriate section of the report)

<p>A: Do all workers (including migrant workers) have contracts of employment/employment agreements? (Go to clause 8 – Regular Employment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>B: Are maximum standard/contracted working hours clearly defined in contract/employment agreements? (Go to clause 8 – Regular Employment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>C: Were appropriate records available to verify hours of work and wages? (Go to clause 5 – Living Wage)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>D: Were any inconsistencies found? (if yes describe nature) (Go to Wages Table)</p>	<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	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? (Go to clause 5 – Living Wage)</p>	<p>Wages found:</p>	<p>Please indicate the breakdown of workforce according to earnings:</p>
	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>____% of workforce earning under min wage ____% of workforce earning min wage __100__% of workforce earning above min wage</p>
<p>F: % of piece rate workers: (if applicable)</p>	<p>0%</p>	
<p>G: Do the standard/contracted hours stated in a contract/employment agreement exceed the law or 48 hours per week? (Go to clause 6 – Working hours)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>H: If yes, what are the standard/contracted hours per week as stated in the contract/employment agreement? (Go to clause 6 – Working hours)</p>	<p>__NA__ hrs/week</p>	<p>Approx. ____% of ALL workers on these contacted hours</p>
<p>I: Combined hours (standard/contracted plus overtime = total hours) over 60 per week found? (Go to Working Hours Analysis)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>J: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No', please explain:	

K: Are the correct legal overtime premiums paid? (Go to Wages Table)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium
L: Please state what actual OT is paid. (As a percentage of the workers standard rate) (Go to Working Hours Analysis)	Please give details of overtime premium as a % of standard wages: <input type="checkbox"/> 0% <input type="checkbox"/> 1% – 115% <input type="checkbox"/> 116% – 124% <input type="checkbox"/> 125% – 149% <input checked="" type="checkbox"/> 150% – 199% <input type="checkbox"/> 200%+ Please give details: 150%, 200% and 300% of regular/normal pay for overtime work on regular weekdays, rest days and statutory holidays respectively according to the records provided by the factory.
M: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
N: % of workers living in site provided accommodation (if applicable):	0% There was no dormitory in the factory.
O: Age of youngest worker found: (Go to clause 4 – Child labour)	The youngest worker on site was above 24 years old
P: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
% of under 18's at this site (of total workers)	N/A
Q: What form of worker representation/union is there on site? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) worker representative <input type="checkbox"/> None
R: Is it a legal requirement to have a union? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
S: Is It a legal requirement to have a workers committee? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
T: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) (Go to clause 2 – Freedom of Association)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: The workers could address their complaints /suggestions to supervisors directly or by suggestion box.
U: Are there any External Processes? (Go to clause 8A – Sub-contracting and Home working)	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process <input checked="" type="checkbox"/> No external processes

Management Systems

Management Systems:	
A: Nationality of Management	China
B: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	Male: <u>60</u> % Female: <u>40</u> %
C: Majority nationality of workers	China
D: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	<u>10</u> %
E: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F: If No , why not?	N/A
G: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No such evidence was found.
H: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The factory established policies and procedures on forced labour, child labour, discrimination, harassment & abuse and no negative evidence was found.
I: If Yes , is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
J: 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: Based on worker and management interview, they knew the policies well.
K: If Yes , is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	The factory had provided the training to management and workers. The related record was provided for review.
L: 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: Suggestion box was used for reporting grievances.
M: If Yes , are workers aware of these channels? Please give details.	Based on interview with workers, they understood how to use the suggestion box.

N: Have health and safety risks been identified e.g. through internal audits, formal risk analysis process, worker involvement etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Based on interview with H&S manager, basic health and safety risks were identified through the audit, such as fire risks, electrical risks, workers' operating risks, etc.
O: If Yes , has effective action been taken to reduce or eliminate these risks?	Establishing safety process, providing PPE
P: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: No accident happened in last period.
Q: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Comparing work load with attendance records provided by the factory, auditor thought the records was basically in accordance with the work load.
R: Does the site have all required land rights licenses and permissions (see <i>SMETA Measurement Criteria</i>)?	Yes
S; Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i>	No internationally recognised system certification was obtained by the factory.
T: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: There was one HR manager in the factory.

Worker Analysis

Worker Analysis								
	Local			Migrant				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – male	17	0	0	1	0	0	0	18
Worker numbers – female	46	0	0	1	0	0	0	47
Total	63	0	0	2	0	0	0	65
Number of Workers interviewed	10	0	0	0	0	0	0	10

Contractors:

(Individuals supplying workers to site with the workers paid by contractors, not by site)

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If Yes , how many workers supplied by contractors	NA
C: Are all contractor workers paid according to law?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
If Yes , Please give evidence for contractor workers being paid according to law:	NA

Migrant Workers:

(Please see SMETA Best Practice Guidance and Measurement Criteria for definitions of migrant workers)

D: Originating Locations/Countries:	Different provinces of China, such as Hebei province etc.
E: Type of work undertaken by migrant workers :	Normal as local workers
F: Were migrant workers recruited through an agency?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If yes, please give details.	Please describe: All workers were recruited by the factory themselves.
If Yes , is there a contract with the agency? Provide details of agencies and contractual arrangements including any fees lodged during the recruitment process.	N/A
G: 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 Please describe: NA
H: Percentage of migrant workers in company provided accommodation:	NA. No dormitory provided.

Audit Results by Clause

0: Managements 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 factory appointed Xing Rui to be responsible for compliance with ETI Base Code.

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

- Client's code of conduct in the factory.
- Records review.
- Management interview.

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI/Additional Elements

☐ NC against Local Law

Previous findings were identified.

It was noted the factory did not had a management system according to ETI or conduct the internal audit on its social accountability periodically.

Local law and/or ETI requirement:

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

Recommended corrective action:

The factory should establish a management system according to ETI code and conduct assessment the internal audit on its social accountability periodically.

Action by: Mr Xing Rui/ General Manager

Time frame: 90 days

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Nil

Objective evidence observed:

Documents review and management interview.

<p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	
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Observation:	
<p>Description of observation: The factory did not conduct the assessment to suppliers on social accountability.</p> <p>Local law or ETI requirement: Additional Elements 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>Comments: The factory should conduct the assessment to suppliers on social accountability.</p>	<p>Objective evidence observed: Documents review and management interview.</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

1: Employment is Freely Chosen

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

ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current systems:

- The factory established a policy on prohibition of forced labour.
- In the policy, ID card must not be kept by factory and the original given back to the workers after review. No deposit should be required.
- The policy included content that workers could leave the factory after they raised their resign letter to supervisor if they were regular employee as local law's requirement.
- The policy stated that workers are free to leave the workplace after their working hours.

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

- Employee handbook
- Personnel files
- Resignation records
- Contracts
- Management and worker interview

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

2. Description of non-compliance:

☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Objective evidence observed:

Nil

Nil	
Recommended corrective action: Nil	

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: Nil

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:

The factory established acceptable Freedom of Association policies. Based on document review and management and worker interview, There was one worker representatives available in the factory. Workers also could send their grievances or suggestions to top management directly or by suggestion box, which were confirmed by worker interview. The presentation and communication was effective.

The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.

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

- The policy on freedom of association
- Interview with workers and representative

Non-compliance:

1. Description of non-compliance:

Description of non-compliance:

☐ NC against ETI/Additional Elements
 Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence

observed:

Nil

2. Description of non-compliance:
☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Observation:
Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Nil

A: Name of union and union representative, if applicable:	NA	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
B: If no union what is parallel means of consultation with workers e.g. worker committees?	There was one worker representative elected by workers.	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
C: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1	
D: State any evidence that union/workers committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	The latest worker representatives meeting was conducted in Dec. 2016. The topics included the Spring festival holiday, etc.	
E: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
F: If Yes what percentage by trade Union/worker representation	<u> N/A </u> % workers covered by Union CBA	<u> N/A </u> % workers covered by worker rep CBA
G: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: Nil

3: Working Conditions are Safe and Hygienic

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - Health & safety policy was established in the factory. Mr. Ma Hongqun was appointed as safety manager.
 - Potable water was freely available in all areas.
 - Sufficient clean toilets were available segregated by gender.
 - Ventilation, temperature and lighting were adequate for the production processes.
2. Fire Safety
 - Evacuation plans were posted in workshop and understood by all workers.
 - Fire fighting facilities such as fire extinguishers were installed on each floor and in adequate number.
 - There were at least two exits in workshops.
 - Fire drill was conducted at least twice per year including evacuation and fire extinguishers using covered all workers in workshop. The latest was on 20 Mar. 2017.
3. Electrical safety
 - There was one competent electrician at the site and certificate was available for review.
4. Chemical safety
 - There was MSDS for the chemicals.
5. Medical services
 - There were adequate first aid kits in each production area.

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

- Health and safety policy
- Fire equipment maintenance records
- Fire drill records
- Accident reports
- Interviews with H&S manager
- Interviews with workers

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

No building acceptance certificate

The factory did not obtain the Building Structure Safety Certificate or Record for any factory building which was constructed in year 2003.
(The buildings were rent from other person)

Local law and/or ETI requirement

Construction Law of the People's Republic of China (2011 Amendment), Article 61

A construction project may only be handed over for use upon passing the acceptance checks; no construction project shall be handed over for use without going through the acceptance checks or passing the acceptance checks.

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

Recommended corrective action:

The factory should obtain the Building Structure Safety Certificate or Record for the factory building.

Action by: Mr Xing Rui/ General manager

Time frame: 90 days

2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

No Fire Safety Certificates/Building Fire Safety Register Certificate

The factory did not provide Fire Safety license for factory buildings which was constructed in year 2003. (The buildings were rent from other person)

Local law and/or ETI requirement:

Fire Prevention Law of the People's Republic of China (2008)

Article 11 For the construction of a large-scale people-intensive site or any special construction projects as prescribed by the public security of the State Council, the employer shall submit the fire protection design documents to the fire protection division of the public security organ for examination. The fire protection division of the public security organ shall be responsible for the examination result according to law.

Article 13 Where the construction of a construction project that needs a fire protection design under the national fire protection technical standards for project construction is completed, a fire protection as-built acceptance or filing shall be conducted as follows:

1. For a construction project as described in Article 11 of this Law, the employer shall apply to the fire protection division of the public security organ for a fire protection as-built acceptance; or

2. For any other construction project, the employer shall, after an acceptance, report it to the fire protection division of the public security organ for archival purposes, and the fire protection division of the public security organ shall conduct a spot check.

A construction project that is subject to a fire protection as-built acceptance according

1.Objective evidence observed:

Documents review and management interview

2. Objective evidence observed:

Documents review and management interview

to law but fails to undergo or pass the fire protection as-built acceptance shall be forbidden to be put into use. Any other construction project that fails to pass a spot check shall cease to be used.

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

Recommended corrective action:

The factory should obtain Fire Safety Certificates /Building Fire Safety Register Certificate for all the factory buildings.

Action by: Xing Rui / General manager

Time frame: 90 days

3. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

No trained first aid staffs were available in the factory.

Local law and/or ETI requirement:

Hygienic standards for the Design of Industrial Enterprises (GBZ 1-2010)

8.1 At the industries and enterprises producing or using toxic substances where acute occupational injuries may occur, establishment of Enterprise Personnel Work Quota shall include staff's establishment scheme of first-aid organization (station) and personnel work quota.

8.1.2 First-aid personnel in first-aid organizations shall be scheduled 0.1%~0.5% of the staff, according to the scale of the workplace, factors of occupational hazards, numbers of workers, and shall be provided with relevant training of knowledge and skills. Capable enterprises shall equip at least one first aider in each work shift.

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

Recommended corrective action:

The factory should train first aid staffs.

Action by: Xing Rui / General manager

Time frame: 30 days

3. Objective evidence observed:

Documents review and management interview

4. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

No register or annual inspection was conducted for one air storage tank with the volume of 2 m³.

Local law and/or ETI requirement:

Regulations on Safety Supervision over Special Equipment, Article 25

Before the special equipment is put into use or within 30 days after it is put into use, the entity using the special equipment shall make registration with the department of safety supervision of the municipality directly under the Central Government or the city divided into districts. The registration mark shall be placed or attached at a notable position on that special equipment.

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

4. Objective evidence observed:

Documents review and management interview

<p>shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: The factory should register the air storage tank and conduct annual inspection. Action by: Xing Rui / General manager Time frame: 90 days</p>	
<p>5. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law The factory could not provide certificates of the operator and management staff for pressure vessel.</p> <p>Local law and/or ETI requirement: Regulations on Safety Supervision over Special Equipment, Article 39 The operation personnel and the relevant management personnel of boilers, pressure vessels, elevators, cranes, passenger cableways and large entertainment facilities (hereinafter referred to as operation personnel) shall, pursuant to the relevant provisions of the state, pass the assessment by the department of safety supervision and obtain the certificate of special operation personnel in state unified format before they can undertake the corresponding operations or management.</p> <p>ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: The factory should obtain certificates of the operator and management staff for pressure vessel. Action by: Xing Rui / General manager Time frame: 90 days</p>	<p>5. Objective evidence observed: Documents review and management interview</p>
<p>6. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law The factory did not apply occupational hazard test for workshop. (air condition, dust or noise) Based on factory tour, spray painting and polishing processes were available</p> <p>Local law and/or ETI requirement: Workplace Occupational Health Monitoring Administration Regulation, Article 20 The employ unit where occupational disease hazardous existed, shall conduct occupational disease hazardous element inspection by the related qualified occupational health technology services organization annually at least. The employ unit where severe occupational disease hazardous existed, shall not only conform to previous article but also conduct occupational disease hazardous assessment for current situation by the related qualified occupational health technology services organization every three years at least. Inspection and assessment result should be saved in the occupational health file of the employ unit, and reported to safety Production Monitoring Administration, as well as announced to the workers.</p>	<p>6. Objective evidence observed: Documents review and factory tour</p>

<p>ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: The factory should apply occupational hazard test for workshop. Action by: Xing Rui / General manager Time frame: 60 days</p>	
<p>7. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law The factory did not provide occupational health examination to workers who were subject to hazardous factors in the past 12 months. Based on factory tour, spray painting and polishing processes were available, but no occupational health examination was provided to relevant workers.</p> <p>Local law and/or ETI requirement: Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 36 With regard to the workers who engage in operation exposed to occupational disease hazards, the employer shall, in accordance with the regulations of the public health administration department under the State Council, make arrangements for pre-service, in-service and job leaving occupational health checkups and truthfully inform the workers of the results of the checkups. The expenses for occupational health checkups shall be borne by the employer. No employer may assign to workers who have not received pre-service occupational health check-ups any jobs exposed to occupational disease hazards, nor assign to workers forbidden jobs. Workers whose signs of job-related injuries are shown by occupational health checkups shall be transferred from their original posts and proper arrangements shall be made for them. With regard to workers who have not received occupational health checkups before leaving their jobs, the employer may not cancel or terminate the labor contracts concluded with them. Occupational health checkups shall be undertaken by the medical and health institutions approved by the public health administration departments of the people's government at or above the provincial level.</p> <p>ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: As hazardous factors existed in the factory, to ensure the health of workers, the occupational health examination should be provided as per the legal requirement. Action by: Xing Rui / General manager Time frame: 90 days</p>	<p>7. Objective evidence observed: Documents review and factory tour</p>
<p>8. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law It was noted that electrical components of two switches were exposed in decal workshop and spray painting workshop.</p> <p>Local law and/or ETI requirement:</p>	<p>8. Objective evidence observed: Factory tour</p>

<p>General Guide for Safety of Electric User (GB/T 13869-2008)</p> <p>6.7 The electrical wiring of electrical products shall be of sufficient insulation strength, mechanical strength, and the ability to conduct electricity of electrical wiring. They shall be checked periodically.</p> <p>6.8 The copper core rubber-sheathed flexible cable or cord shall be used as power cord on the movable electrical product. The power cord should be protected from breaking or damaging when moving.</p> <p>ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: The factory should ensure electrical components effectively protected. Action by: Xing Rui / General manager Time frame: 30 days</p>	
<p>9. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law It was noted that most fire extinguishers were placed directly on the ground. Local law and/or ETI requirement: Code for Design of Extinguisher Distribution in Buildings (50140—2005), Article 5.1.3 Fire extinguishers shall be mounted steadily, and the nameplate of the fire extinguisher must face outward. Portable fire extinguishers should be mounted on hangers, brackets or in cabinets. The top of the extinguisher shall be less than 1.50 m above the floor, and the bottom of the extinguisher should not be less than 0.08 m above the floor. Cabinet of fire extinguisher should not be locked. ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: The factory should ensure position of fire extinguishers in legal height. Action by: Xing Rui / General manager Time frame: 30 days</p>	<p>9. Objective evidence observed: Factory tour</p>
<p>10. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law No fire hydrant system was available in any building which was constructed in year 2003. Only fire extinguishers were installed. (The buildings were rent from other person) Local law and/or ETI requirement: Code of Design on Building Fire Protection and Prevention (GB50016-2006), Article 8.3.1 The indoor fire hydrants of DN65 shall be installed In the following buildings unless the requirements of 8.3.4 in this code is met: Factory building(storage) with occupied building area more than 300m2.</p>	<p>10. Objective evidence observed: Factory tour</p>

<p>ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: The factory should install fire hydrant system in buildings. Action by: Xing Rui / General manager Time frame: 60 days</p>	
<p>11. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law By factory tour, no secondary containment was installed for temporarily stored paint and alcohol in painting workshop. No safety label was posted. Local law and/or ETI requirement: Code of Design on Building Fire Protection and Prevention, Article 3.6.11 Facilities capable of preventing liquids from flooding and spreading shall be provided in storage storing class A, B and C liquids. Regulations on Safety in Workplaces Where Chemicals Are Used, Article 12, The chemicals used by the employing units shall have the labels, and the dangerous chemicals should be attached with safety labels. Also, the safety and technical instructions of the chemicals shall be available for operators engaged in the use of the chemical. Article 20, The employing unit shall let safety and sanitary documents of dangerous chemicals known to all employees and educate them to identify the safety labels, understand the safety and technical instructions, master the emergency handling and self-first-aid measures. The employing unit shall also regularly educate and train its employees regarding the safety use of chemicals at the workplaces. ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: The factory should install secondary containment and post safety label for chemicals. Action by: Xing Rui / General manager Time frame: 60 days</p>	<p>11. Objective evidence observed: Factory tour</p>
<p>12. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law No eyes washing facility was installed in spray painting workshop. Local law and/or ETI requirement: Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 26 At the workplace with toxic and hazardous substances where acute occupational injuries may occur, the employer shall have such places equipped with alarming devices, first-aid articles and washing equipment, and have emergency exit passages built and necessary risk obviating areas prepared. ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind</p>	<p>12. Objective evidence observed: Factory tour</p>

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

Recommended corrective action:

The factory should install eyes washing facility in spray painting workshop.

Action by: Xing Rui / General manager

Time frame: 30 days

13. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

No goggle was provided for workers in spray painting position; Only normal mask instead of chemical-proof mask was provided by factory.

Local law and/or ETI requirement:

Law of the Peoples Republic of China on Prevention and Control of Occupational Diseases, Article 23

The employer shall have effective facilities for prevention of occupational disease and shall provide individual workers with article for prevention of occupational diseases.

The articles for prevention of occupational diseases provided by the employer to individual workers shall meet the requirements for prevention and control of occupational diseases; otherwise, such articles may not be used.

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

Recommended corrective action:

The factory should provide proper PPE for workers.

Action by: Xing Rui / General manager

Time frame: 30 days

13. Objective evidence observed:

Factory tour

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Nil

Good Examples observed:

<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>
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4: Child Labour Shall Not Be Used

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

ETI

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current systems:

- HR recruitment procedure showed that factory should not use child labour. Workers should take ID card to prove he or she was over 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post. While no young worker was used.
- Checks of all workers files showed that the youngest worker present was born on 23 Jun. 1993.

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

- Policy on workers recruitment
- Personnel files including the ID card copies of workers
- Roster and labour contracts of all workers

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence

observed:

Nil

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

Nil

☐ NC against Local Law

Local law and/or ETI requirement: Nil	
Recommended corrective action: Nil	

Observation:	
Description of observation: Nil	Objective evidence observed: Nil
Local law or ETI requirement: Nil	
Comments: Nil	

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

5: Living Wages are Paid

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The local minimum wage was RMB1320 per month.
- All workers' wages were calculated by hourly rate. The minimum wage paid by the factory was at least RMB 1800 per hour according to the wage records. The minimum wages were paid in accordance with the local legal requirement.
- OT wage was paid according to China Labor law.
- All workers were paid before 15th of following month by cash and each worker was given a pay slip and signed for their wages.
- All workers were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Social insurance was not provided to all of employees.

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

- Payroll records from Mar. 2016 to Feb. 2017.
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Payment receipts of social insurance

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

Did not provide social insurance for employees as per legal requirements.

1.Objective evidence observed:

Business insurance and

The factory did not provide five kind of social insurance (injury, unemployment, medical, retirement and maternity insurance) to any worker.
Based on the document review, the factory provided business insurance to employees.

Local law and/or ETI requirement:

China Labor Law,

Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:

- (1) retirement;
- (2) illness or injury;
- (3) disability caused by work-related injury or occupational disease;
- (4) unemployment; and
- (5) child-bearing.

ETI Base Code 5.1

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

Recommended corrective action:

The factory should provide social insurance to all employees.

Action by: Mr Xing Rui/ General manager

Time frame: 60 days

2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

Workers had statutory holidays and Annual Leave according to attendance records. While, no normal wage was paid for these leaves.

Local law and/or ETI requirement:

China Labor Law, Article 51

The employing unit shall pay wages according to law to laborers who observe statutory holidays, take leaves during the periods of marriage or funeral, or participate in social activities in accordance with the law.

ETI Base Code 5.1

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

Recommended corrective action:

The factory should provide paid leave for workers according to legal requirements.

Action by: Mr Xing Rui/ General manager

Time frame: 60 days

payment receipts and worker interview and management interview.

2. Objective evidence observed:

Payroll records and Wages and benefits policy and management interview.

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Wages analysis: (Click here to return to Key Information)		
A: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 samples from Aug. 2016 (Random) 10 samples from Dec. 2016 (Random) 10 samples from Feb. 2017 (Current)	
B: 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:
C: If there are different legal minimum grades, are all workers graded correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If No , please give details:
D: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance	
E: Have all of these deductions been made? Please list all deductions that have/have not been made.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes , Please list all deductions that have been made: If No , please give details on any deductions which have not been made: No social insurance was provided
F: Industry norm for this region: <i>(please include time period e.g. hour/week/month)</i>	There were no industry norms for this region at present.	

Wages table (Click here to return to Key information)			
Worker Type	Process Operator (Lowest paid)	Process Operator (Average paid)	Process Operator (Highest paid)
<i>Select from individual worker records one worker from, lowest, average and highest wages and populate the boxes. Ensure comparison is made for same pay period and only uses full-time workers. See SMETA Best Practice Guidance and Measurement Criteria for completing this:</i>			
A: Pay period: (State month selected)	Feb. 2017	Feb. 2017	Feb. 2017
B: Anonymous Employee Reference/Dept.	A/Plating	B/Spray painting	C/Packing
C: Employee Gender	Male	Male	Female
D: Contracted/Standard working hours: (excluding OT – please include time period e.g. hour/week/month)	144h/month	152h/month	152h/month
E: Contracted /Standard work pay rate: (excluding OT – please include time period e.g. hour/week/month)	RMB 2483	RMB 1572	RMB 1572
F: Standard day overtime – hours: (please include time period e.g. hour/week/month)	10.5 hours/month	10.5 hours/month	9 hours/month
G: Standard day overtime – wage: (please include time period e.g. hour/week/month)	RMB 162/month	RMB 162/month	RMB 139/month
H: Rest day overtime – hours: (please include time period e.g. hour/week/month)	8 hours/month	8 hours/month	8 hours/month
I: Rest day overtime – wage: (please include time period e.g. hour/week/month)	RMB 165/month	RMB 165/month	RMB 165/month
J: Statutory Holiday overtime – hours: (please include time period e.g. hour/week/month)	0	0	0

K: Statutory holiday OT – wages: (please include time period e.g. hour/week/month)	0	0	0
L: Total overtime hours: (please include time period e.g. hour/week/month)	18.5 h/month	18.5 h/month	17 h/month
M: Incentives/Bonus/ Allowances etc.: (please include time period e.g. hour/week/month)	RMB 0	RMB 0	RMB 0
N: Gross wages: (please include time period e.g. hour/week/month)	RMB 2809/month	RMB 1899/month	RMB 1876/month
O: Social insurance and other deductions; please list which and amount.	0(no participate in social insurance)	0(no participate in social insurance)	0(no participate in social insurance)
P: Actual wage paid after deduction: (please include time period e.g. hour/week/month)	RMB 2809/month	RMB 1899/month	RMB 1876/month
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
Workers obtained different wages because of different position. The above information was just according to payrolls provided by factory.			
Q: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
R: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
S: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:		
T: 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:

- Through employees' interview, overtime was voluntary.
- The attendances recorded by paper punching card system, workers were asked to swipe the paper card 4 or 6 times per day.
- According to time records and worker interview, normal working hours were 8 hours per day, 5 days per week.
- The factory provided attendance records from Mar. 2016 to the audit day for review.

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

- Employee interview
- Management interview

- Factory policy on working hours
- Time cards records, payrolls records
- 13 months hours records to establish highest and lowest hours over all employees
- Production records to cross check hours

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI/Additional Elements ☒ NC against Local Law

The monthly overtime hours of workers exceeded the legal requirement. Based on the attendance records from Mar. 2016 to the audit day, the monthly overtime hours of 5 out of 10 sampled workers exceeded 36 hours and the maximum was 62 hours in Mar, 2017.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (1994), Article 41

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

ETI Code 6.1

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

Recommended corrective action:

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

Action by: Mr Xing Rui/ General manager

Time frame: 60 days

Objective evidence observed:

Time cards records and Employee interview

2. Description of non-compliance:

☒ NC against ETI/Additional Elements ☐ NC against Local Law

The total weekly working hours of workers exceeded the ETI requirement. Based on the attendance records from Feb, 2014 to the audit day, it was noted that the maximum total weekly working hours 5 out of 10 sampled workers exceeded 60 hours up to 61 in Mar. 2017.

Local law and/or ETI requirement:

ETI Code 6.4

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

Recommended corrective action:

The total weekly working hours should be controlled within the ETI requirement.

Action by: Mr Xing Rui/ General manager

Objective evidence observed:

Time cards records and Employee interview

Time frame: 60 days

3. Description of non-compliance:

☒ NC against ETI/Additional Elements

☒ NC against Local Law

At least one day off after 6 consecutive days was not provided to workers.

Based on the provided attendance records, the consecutive working days of 5 out of 10 sampled workers exceeded six days and the maximum were 16 days from 16 to 31 Mar. 2017.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China (1994), Article 38

The employing unit shall guarantee that its staff and workers have at least one day off in a week.

ETI Code 6.6

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.

Recommended corrective action:

At least one day off after 6 consecutive days should be provided to workers.

Action by: Mr Xing Rui/ General manager

Time frame: 60 days

Objective evidence

observed:

Time cards records and Employee interview

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence

observed:

Nil

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence

Observed:

Nil

Working hours analysis

Please include time period e.g. hour/week/month

[\(Go back to Key information\)](#)

Systems & Processes							
A: What timekeeping systems are used: time card etc.	Paper punching card system						
B: Sample Size Checked (State number of worker records checked and from which weeks/months and type – should be current, peak and random/low: See SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Aug. 2016 (Random) 10 samples from Dec. 2016 (Random) 10 samples from Feb. & Mar. 2017 (Current)						
C: Do ALL workers have contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, state which type of workers do NOT have contracts/employment agreements: N/A					
D: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please state which type of workers do NOT have standard hours defined in contracts/employment agreements. N/A					
E: 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: <table border="1" style="width: 100%;"> <tr> <td><input type="checkbox"/> 0 hrs</td> <td><input type="checkbox"/> Part time</td> <td><input type="checkbox"/> Variable hrs</td> <td><input type="checkbox"/> Other</td> </tr> </table> If "Other", Please define: N/A		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other				
Standard/Contracted Hours worked							
F: Do standard/contracted standard hours ever exceed the law or 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES give details and comparison (local law/48 hrs week) N/A					
G: What are the actual standard/contracted hours worked in sample (State per week/month)	Highest hours:	40hrs/week					
	Lowest hours:	40hrs/week					
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 NA					
Overtime Hours							

I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	2/10/30.5 hours per day/week/month in Aug, 2016 2/10/37 hours per day/week/month in Dec, 2016 2/10/18.5 hours per day/week/month in Feb, 2017 2/21/62 hours per day/week/month in Mar. 2017					
	Lowest OT hours:	0/0/12 hours per day/week/month in Aug, 2016 0/0/4 hours per day/week/month in Dec, 2016 0/0/0 hours per day/week/month in Feb, 2017 0/8/32 hours per day/week/month in Mar. 2017					
J: Range of overtime hours over all workers/or as large a sample as possible. (State per week/month and details)	_0/12_ to _10/30.5_ in __Aug, 2016__ _0/4_ to _10/37_ in __Dec, 2016__ _0/0_ to _10/18.5_ in __Feb, 2017__ _8/32_ to _21/62_ in __Mar, 2017__						
K: Approximate percentage of workers on highest overtime hours	___50___%						
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:					
		Based on workers interview, all workers indicated that they were voluntary to work for overtime work.					
Overtime Premiums							
M: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please give details of normal day overtime premium as a % of standard wages:					
		<input type="checkbox"/> 0%	<input type="checkbox"/> 1 – 115%	<input type="checkbox"/> 116 – 124%	<input type="checkbox"/> 125 – 149%	<input checked="" type="checkbox"/> 150 – 199%	<input type="checkbox"/> 200%+
		Any other comments: Pay OT compensation in line with legal requirements which are 150%, 200% and 300% of regular/normal pay for overtime work on regular weekdays, rest days and statutory holidays respectively					
N: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium <u>and</u> this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A						
	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.						
	N/A. Factory paid per local requirement.						

Rest Days		
O: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>Maximum number of days worked without a day off (in sample):</i> Max. 16 days.
Total Hours		
P: Range of total hours: (Quote highest and lowest please include time period e.g. hour/week/month)	Highest total hours	10/50/214.5 hours per day/week/month in Aug, 2016 10/50/213 hours per day/week/month in Dec, 2016 10/50/170.5 hours per day/week/month in Feb, 2017 10/61/246 hours per day/week/month in Mar. 2017
	Lowest total hours	8/40/196 hours per day/week/month in Aug, 2016 8/40/180 hours per day/week/month in Dec, 2016 8/40/144 hours per day/week/month in Feb, 2017 8/48/216 hours per day/week/month in Mar. 2017
R: 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 checked="" 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 explain any checked boxes in R above	
	N/A	
Comments: (please state here any specific reasons/circumstances that explain the highest working hours)		
<i>Please add details of examples where the site has demonstrated "exceptional circumstances".</i> Nil		
<i>Please give details of any appropriate safeguards in place at the time of the 60+ hours working.</i> Nil		
<i>Any other comments:</i> Nil		

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:

- According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found;
- There was no evidence of sexual harassment.
- The management generally knew the requirement of Non-Discrimination.
- As informed by interviewed workers, most employees spoke highly of the factory owner.

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

- The hiring and termination procedure, leave application records and employee handbook.
- Payrolls
- Attendance records
- Termination records
- Training records

Non-compliance:

1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: Nil
2. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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.

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 apprenticeship schemes or home worker was identified by the auditors.
- All employees signed commitment by themselves, which informing the factory rules they should obey.
- No any workers were recruited by the agency.

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

- The hiring and termination practises
- Personal files
- Payroll records were provided for review.

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input checked="" type="checkbox"/> NC against Local Law The factory had not signed labor contract with one sampled worker one and a half months after he recruited.</p> <p>Local law and/or ETI requirement: Labor Contract Law of the People's Republic of China, Article 10 To establish a labor relationship, a written labor contract shall be concluded. In the event that no written labor contract is concluded at the time when a labor relationship is established, such a contract shall be concluded within one month as of the date when the employing unit employs a worker. Where an employing unit and a worker conclude a labor contract before the latter starts to work, the labor relationship shall be established as of the date when the latter starts to work.</p> <p>ETI requirement 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>Recommended corrective action: The factory should sign labour contract with workers within one month. Action by: Mr Xing Rui/ General manager Time frame: 60 days</p> <p>2. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Document review and worker interview</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

<p>Good Examples observed:</p>

Description of Good Example (GE): Nil	Objective Evidence Observed:
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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.

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 home working was identified in the factory
- No sub-contractors were used in the factory.

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

- Site tour
- Materials in/out records
- Management interview
- Worker interview

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

Process Subcontracted		Nil
Name of factory		
Address		

Non-compliance:	
1. Description of non-compliance: Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: Nil
2. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Summary of sub-contracting – if applicable	
A: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details: NA, no sub-contractor was used.
B: Number of sub-contractors/agents used	0
C: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details: NA, no sub-contractor was used.
D: What checks are in place to ensure no child labour is being used and work is safe?	NA
E: What processes are sub-contracted?	NA

Summary of homeworking – if applicable			
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: N/A No homework was identified during the audit		
G: Number of homeworkers	Male: 0	Female: 0	Total: 0
H: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A No homework was identified during the audit		
I: If through agents, number of agents	N/A No homework was identified during the audit		
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A No homework was identified during the audit		
K: How does site ensure worker hours and pay meet local laws for homeworkers?	N/A No homework was identified during the audit		
L: What processes are carried out by homeworkers?	N/A No homework was identified during the audit		
M: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A No homework was identified during the audit		

<p>N: Are full records available at the site?</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No N/A No homework was identified during the audit </p>
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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.

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 evidence of mental / physical coercion was identified during the audit.
- There was no evidence of sexual harassment.
- The workers interviewed said they were never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory.

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

- Factory rules.
- Security guard regulation. The duties of security guards were to protect safety of factory's property, to regularized entrance/exit of goods/ vehicles/ employees/ visitors.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

2. Description of non-compliance:

☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Objective evidence observed:

Nil

Recommended corrective action:

Nil

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence

observed:

Nil

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence

Observed:

Nil

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

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

Additional Elements

10A1 Only workers with a legal right to work shall be employed or used by the supplier.

10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

10A3 Employment agencies must only supply workers registered with them.

10A4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

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:

Worker manual showed that workers must take recent photo and original ID card when recruiting to confirm he or she has legal right to work. And all workers' personnel files were kept well.

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

Personnel files

Attendance records

Management interview

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

2. Description of non-compliance:

☐ NC against ETI/Additional Elements
Nil

☐ NC against Local Law

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Objective evidence observed:

NA

Nil	
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Observation:	
Description of observation: Nil Local law or ETI/Additional Elements requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

10. Other issue areas 10 B 2: Environment 2-pillar

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

To be completed for a 2-Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2. 1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2. 2 The supplier should be aware of and comply with their end clients' environmental requirements.

Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems:

- The factory established a policy on environment protection.
- The factory was aware of the legal and clients' environmental requirement.
- The factory had conducted EIA and obtained approval from local authority.

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

- Contract and licenses
- Relevant policy
- Management interview
- Acceptance approval for environmental facilities

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI/Additional Elements ☒ NC against Local Law
The factory could not provide boundary noise monitor report in the past 12 months.

Local law and/or ETI/Additional Elements requirement:

Emission standard for industrial enterprises noise at boundary GB12348-2008

4.1.1 Industrial enterprise noise shall not exceed the limits as stated in Table 1.

ETI/Additional Elements requirement

10B2. 1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

Recommended corrective action:

The factory should monitor the boundary noise regularly.

Action by: Mr Xing Rui/ General manager

Time frame: 90 days

Objective evidence observed:

Document review

2. Description of non-compliance:

☒ NC against ETI/Additional Elements ☒ NC against Local Law

Objective evidence

<p>No document was provided to show that hazardous wastes had been transferred to licensed vendor for disposal.</p> <p>Local law and/or ETI/Additional Elements requirement: Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (2004) Article 58 Hazardous wastes shall be collected and stored separately according to their different characteristics. It is forbidden to collect, store, transport and treat hazardous wastes of incompatible natures and of not being undergone safety treatment.</p> <p>Recommended corrective action: The factory should transfer all hazardous wastes to licensed vendor for proper disposal. Action by: Mr Xing Rui/ General manager Time frame: 90 days</p>	<p>observed: Document review</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI/additional elements requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

Worker Interview Summary

Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria)	1 groups (4 workers per group)	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 2	Female: 4
E: Total number of interviewed workers (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 4	Female: 6
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	No special complaint was raised from the interviewed workers.	
I: What did the workers like the most about working at this site?	The working condition and compensation.	
J: Any additional comment(s) regarding interviews:	Workers were cooperative.	
K: Attitude of workers to hours worked:	They had no complaint about their current working hours worked.	

Agency Workers (if applicable) (workers sourced from a local agent who are not directly paid by the site)	
A: Number of agencies used (average):	0 And names if available: No agency was used in the factory.

<p>B: Were agency workers' age/pay/hours included within scope of this audit</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No No agency was used in the factory.</p>
<p>C: Were sufficient documents for agency workers available for review?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No No agency was used in the factory.</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Photo Form


General site photos:

		
Factory gate and name	Factory buildings	Material warehouse
		
Decoration firing workshop	Spray painting	Plating
		
Packing	Finished goods	Exit sign and emergency lights

		
Fire extinguishers in workshop	Suggestion box	Exhaust fan
		
First aid kit	Drinkable water	Lavatory room

NC photos:

		
NC: It was noted that electrical components of two switches were exposed in decal workshop and spray painting workshop.	NC: It was noted that most fire extinguishers were placed directly on the ground.	NC: By factory tour, no secondary containment was installed for temporarily stored paint and alcohol in painting workshop. No safety label was posted.

		<p>Nil</p>
<p>NC: No goggle was provided for workers in spray painting position; Only normal mask instead of chemical-proof mask was provided by factory.</p>	<p>NC: No document was provided to show that hazardous wastes had been transferred to licensed vendor for disposal.</p>	<p>Nil</p>

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 A & AB members:](#)

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

[Click here for B members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRqIY_2brq_3d_3d

**Your feedback on your experience of the SMETA audit you have observed is extremely valuable.
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[Click here for B members:](#)

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



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