




# Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: Nil	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: Nil
Business name (Company name):	New Prismatic Enterprise Co., Ltd		
Site name:	New Prismatic Enterprise Co., Ltd		
Site address: <i>(Please include full address)</i>	No.203-1, Yong-Feng Rd., Tu-Cheng Dist., New Taipei City, Taiwan 236	Country:	Taiwan
Site contact and job title:	Ms. Ivy Wei/ HR Manager		
Site phone:	886-2-82213701	Site e-mail:	ivy@colorchange.com.tw
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	September 08, 2021		

<b>Audit Company Name &amp; Logo:</b>  SGS Taiwan Ltd 	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto:grievance@sedex.com).

To confirm the validity of this report, please visit <https://www.sedex.com/audit-verifier/>

## Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Henry Hong

APSCA number: CSCA 21701465

Lead auditor APSCA status:

Certified Social Compliance Auditor

Team auditor: Nil

Interviewers: Henry Hong

APSCA number: CSCA 21701465

Report writer: Henry Hong

Report reviewer: Brian Cheng & Wayne Chiang

Date of declaration: September 08, 2021

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

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <b>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</b>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2	0	0	<ul style="list-style-type: none"> <li>Factory did not communicate this ETI code, policy, and perform education for all employees.</li> <li>Factory did not communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</li> </ul>
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
2 <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
3 <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	<ul style="list-style-type: none"> <li>Nil</li> <li>Factory didn't conduct Health &amp; Safety risk evaluation.</li> </ul>

									<ul style="list-style-type: none"> <li>Some chemicals (oil) were not adequately stored with 2nd container.</li> </ul>
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
8	<u>Regular Employment</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> <li>The factory employed 2 migrant workers from Vietnam through legal process which approved by sending countries' government. The fees were paid by workers within allowable limit set by law. However, it meets the requirements of the law but does not meet customer expectations.</li> </ul>
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>Nil</li> </ul>

10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>• Nil</li> <li>•</li> </ul>
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>• Nil</li> <li>•</li> </ul>
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• N/A</li> <li>•</li> </ul>
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• N/A</li> <li>•</li> </ul>

General observations and summary of the site:

Supplier: Channel Years Creative Co., Ltd

Factory: New Prismatic Enterprise Co., Ltd

Generally, all interviewed workers presented positive feedback regarding the company, management and working condition. Neither negative comments nor complaint was collected during interview.

The audit findings were highlighted based on-site observation, interview with employees/ management, and verification of company records.

To meet the requirements of local regulations and the ETI base code, the factory has to take corrective actions to all weak points listed below.

**Non-compliance:**

1. Factory did not communicate this ETI code, policy, and perform education for all employees.
2. Factory did not communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.
3. Factory didn't conduct Health & Safety risk evaluation.
4. Some chemicals (oil) were not adequately stored with 2nd container.



5. The factory employed 2 migrant workers from Vietnam through legal process which approved by sending countries' government. The fees were paid by workers within allowable limit set by law. However, it meets the requirements of the law but does not meet customer expectations.

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



## Site Details

Site Details		
A: Company Name:	New Prismatic Enterprise Co., Ltd	
B: Site name:	New Prismatic Enterprise Co., Ltd	
C: GPS location: (If available)	GPS Address:	Latitude: 24.97785 Longitude: 121.47329
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 22190742 Factory register: 65008392	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Micro-capsule material, Thermochromic material, Photochromic material  Incoming material → Heating → Mixing & Emulsification → Vacuum dehydration → Drying → Vibrating filter → Packaging → Packing → Shipping  Screen printing for DM and instruction	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	New Prismatic Enterprise Co., Ltd with operation started since 1987. The main products manufactured by the facility were micro-capsule material, thermochromic material, photochromic material.  The factory was consisted one 6-story office and production building and one 2-story dormitory with total 4729.798 square meters. The working environment was clean, organized, well lit, and ventilated.	

Production Building no 1	Description	Remark, if any
Floor 1	Meeting room, loading area, storage cache	Nothing to report
Floor 2	Plastic extrusion area	2 <sup>nd</sup> floor is rented by other company
Floor 3	Heating, Mixing & Emulsification, Vacuum dehydration, Drying and Vibrating filter area,	Nothing to report
Floor 4	Heating, Mixing & Emulsification, Vacuum dehydration, Drying and packing area	Nothing to report
Floor 5	Office, Meeting room	Nothing to report
Floor 6	Screen printing	Nothing to report
Basement 1	Hardware storage room	Nothing to report
Is this a shared building?	No	The building is owned by factory.
Dormitory Building no 2	Description	Remark, if any
Floor 1	Parking lot	Nothing to report
Floor 2	Male migrant employees living	Nothing to report
Is this a shared building?	No	Nothing to report
<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details:</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details:                      Factory had obtained the 3rd party building structure inspection report and public safety certificate of local government for the building structure.</p>		
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
<p>H: Month(s) of peak season: (if applicable)</p>	<p>Not obvious</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>The main production processes as follow:          Incoming material → Heating → Mixing &amp; Emulsification → Vacuum dehydration → Drying → Vibrating filter → Packaging → Packing → Shipping          Screen printing for DM and instruction</p> <p>The main production equipment as below:          Emulsification M/C - 2 sets, Thermostatic M/C - 10 sets, Mixing M/C - 15 sets, Oven M/C - 1 set, Vacuum dehydration M/C - 1 set, Vibrating filter M/C - 3 sets.</p>
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) 2 worker representatives via election existed (Labour Consultative Meeting). <input type="checkbox"/> None
<p>K: Is there any night production work at the site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation 9.53% migrant employees lived in the dormitory provided from factory, and the dormitory is isolated with production building.
<p>M: Are there any off site provided worker accommodation buildings</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 17:30	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	1 auditor x 1.0 day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Ivy Wei/ HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	Unchecked		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	Worker Representatives were present.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No union existed at this factory. Local law did not require the trade union as a must.		

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	12	0	0	2	0	0	0	14
Worker numbers – female	7	0	0	0	0	0	0	7
Total	19	0	0	2	0	0	0	21
Number of Workers interviewed – male	3	0	0	2	0	0	0	5
Number of Workers interviewed – female	5	0	0	0	0	0	0	5
Total – interviewed sample size	8	0	0	2	0	0	0	10



A: Nationality of Management	Taiwan	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: __ Taiwan __</p> <p>B2: Nationality 2: __ Vietnam ____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 __ 90.47%__</p> <p>C1: approx % total workforce: Nationality 2 __ 9.53%__</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: _____% hourly paid workers</p> <p>D2: __ 100__% salaried workers</p> <p>Payment cycle:</p> <p>D3: __ 0__% daily paid</p> <p>D4: __ 0__% weekly paid</p> <p>D5: _____% monthly paid</p> <p>D6: __ 100__% other</p> <p>D7: If other, please give details</p> <p>Twice per month separately</p>	





<b>Worker Interview Summary</b>	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 and 6 individual workers interviewed with total 10 workers included (5 males and 5 females) There were 10 direct workers on site about the manufacturing in factory.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3                      D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
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?	Workers generally satisfied with the working condition at this factory. No complaint or unhappiness to the factory management was stated during the interviews.
I: What did the workers like the most about working at this site?	They were all satisfied with the working condition, wages and treatment from factory management.
J: Any additional comment(s) regarding interviews:	All interviewed workers were cooperative and had a good relationship with management in general.
K: Attitude of workers to hours worked:	They were all satisfied with the working hours and overtime hours. Their overtime was voluntary. They could refuse overtime without any punishment and threat.

L. Is there any worker survey information available?

- Yes
- No

L1: If yes, please give details:

M: Attitude of workers:

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

SGS auditor conducted confidential interviews with workers who were chosen freely without any influence from the factory management; 10 workers were selected for individual or group interviews; The worker interviews were conducted at an isolated area (meeting room). The workers were cooperative during the interview process and objective evidences / information were collected accordingly. They had good relationships with their supervisors and managers who treated them with respect. Based on worker interviews, all workers were satisfied with working condition and benefits offered by factory.

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

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

All worker representatives were open and friendly during the interview process. They showed up a positive attitude toward management and the workplace. Based on the interviews, they were pleased with the working conditions and benefits.

O: Attitude of managers:

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

In general, the factory fully assisted the audit, and demonstrated willingness to adopt continuous improvements on all the issues found during the audit.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

Factory appointed a person (Mr. Herman Huang/ HR Manager) of senior level responsible for implementing standards concerning Human Rights. They published a human rights statement on their bulletin board, training gave to any employee on the need to protect human rights. The terms and conditions for employees were stated in the working rules and all workers were communicated and aware of the grievance procedure.

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

Details:

- Working rules
- Human rights statement and policy posted on the bulletin board
- Interview with management and employees

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details:  Businesses let the policy endorse at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own supplier, including its own supplier</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details:  Name: Ms. Ivy Wei  Job title: HR Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  C1: Please give details:  Suggestion box, confidential e-mail and hotline were established and an appointed employee (Ms. Ivy Wei/ HR Manager) was responsible for dealing with the grievance issues.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  E1: Please give details:  All employee information and personnel files were kept locked in the human resources office and only viewed by the HR Section Manager and HR team.</p>

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

**Good examples observed:**

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Description of Good Example (GE): <b>None observed</b>	<b>Objective Evidence</b> Observed: <b>None observed</b>
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## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __0__ %	A2: This year __4.54__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __0__ %	C2: This year __0__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe:	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers

**0B: Management system and Code Implementation**

[\(Click here to return to summary of findings\)](#)

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Based on document review (Conduct of social responsibility code) and interview with management and site tour observation, ETI Code was announced and communicated to all employees in this factory.

1. Factory appointed a senior management (Mr. Herman Huang/ HR Manager) to be responsible for the compliance of the Code.
2. Factory did not communicate this Code to all employees including education and training to workers, posting relevant information on bulletin board and meeting.
3. The factory obtained correct business license as legal permissions, also obtained the land ownership certificate from land owner to ensure land rights which complied with legal requirement.
4. SA management system for compliance to this Code was in place for delivering compliance to this Code.

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

Details:

- Interview with management and employees
- Ethical code of conduct at the factory
- Business license
- Factory registration certificate
- Land ownership certificate

Any other comments:

Nil

**Management Systems:**

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

Yes

No

A1: Please give details:



<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      B1: Please give details:                      Policies existed for Child Labour, Recruitment, Forced labour, Health and Safety, Living Wage, Working Hours, Discrimination, No harsh treatment and abuse, Business Ethics and Environment.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Policies existed for Child Labour, Recruitment, forced labour, Health and Safety, Living Wage, Working Hours, Discrimination, No harsh treatment and abuse, and Business Ethics.; these were communicated to workers via poster and some of these (e.g. H&amp;S and Business Ethics issue) were via annual training.                      Workers stated no forced labour existed and no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      D1: Please give details:                      Standards on forced labour, child labour, discrimination, harassment &amp; abuse were communicated to workers through posters and regular training on these issues.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      E1: Please give details:                      Training records with evaluation score were well kept in file.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits).                      Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                      F1: Please give details:                      Factory don't have any internationally recognised system certifications.</p>
<p>G: Is there a Human Resources manager/department?                      If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      G1: Please give details:                      Ms. Ivy Wei/ HR Manager</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      H1: Please give details:                      Mr. Herman Huang/ HR Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      I1: Please give details:</p>

	Factory complied with personal information protection notification as policy. All worker information was kept in files and locked in the HR office.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All worker information was kept in files and locked in the HR office.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details: Factory don't establish and perform the process of risk assessments.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: Factory don't establish and perform the process of risk assessments.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please give details: Factory had established the policy and procedure. However, factory don't communicated this ETI code, policy and relative labour standards to their own suppliers and extend the principles of this Ethical Code through their supply chain (e.g. assessment, audit, etc. to its supply chain such as raw material, component, sub-contractor, etc.).
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The Land ownership certificate was available at site.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: Ms. Ivy Wei/ HR Manager was responsible for this issue, and the business license was available which complied with legal requirement.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The Land ownership certificate was available at site.

consent, (FPIC) even if national/local law does not require it	
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: Not applicable
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details: Not applicable

<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <input checked="" type="checkbox"/> NC against customer code:</p> <p>Factory did not communicate this ETI code, policy, and perform education for all employees.</p> <p><b>Local law and/or ETI requirement:</b>                      It violated ETI 0.B.4:                      Suppliers are expected to communicate this Code to all employees.</p> <p><b>Recommended corrective action:</b>                      Factory shall communicate this ETI code and perform education for all employees.</p> <p><b>2. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <input checked="" type="checkbox"/> NC against customer code:</p> <p>Factory did not communicate this ETI code to their own suppliers and extend the principles of this Ethical Code through their supply chain (e.g. assessment, audit, etc. to its supply chain such as raw material, component, sub-contractor, etc.).</p> <p><b>Local law and/or ETI requirement:</b>                      It violated ETI. 0.B.5.</p> <p><b>Recommended corrective action:</b>                      Factory shall communicate this ETI code to their own suppliers and extend the principles of this Ethical Code through their supply chain (e.g. assessment,</p>	<p><b>Objective evidence observed:</b>                      (where relevant please add photo numbers)</p> <p>1. Based on document review and interview management.                      Testimony from the management</p> <p>2. Based on document review and interview management.                      Testimony from the management</p>

<p>audit, etc. to its supply chain such as raw material, component, sub-contractor, etc.).</p>	
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Observation:	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b> None observed</p> <p><b>Comments:</b> None observed</p>	<p><b>Objective evidence observed:</b> None observed</p>

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

**1: Freely Chosen Employment**

[\(Click here to return to summary of findings\)](#)

**ETI**

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had a policy which prohibits forced labour in place.
2. Based on interview with the management / workers and documents review, effective employment policy & procedure were established.
3. All workers could resign freely by notifying the management 7~30 days in advance.
4. All workers were not requested to leave any deposit or document to factory such as training fee, fee for tools, fee for uniforms, or original documents such as ID papers. Only copies of ID must be kept in the personnel files and the original given back to the workers.
5. No forced, bonded, involuntary labour and prison labour was used in accordance with on-site observation and worker interview.
6. All workers were free to leave at the end of their shift.
7. All workers were permitted time-off with doctor's certificate or note when sick or maternity.

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

Details:

- Personnel files
- Resignation records
- Leave records
- Working rules
- Management and worker interview

Any other comments:

Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- Yes
- No

A1: If yes, please give details and category of workers affected:

B: Is there any evidence of a loan scheme in operation

- Yes
- No

B1: If yes, please give details and category of worker affected:

C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had set up grievance system/procedure such as suggestion box, confidential e-mail and hotline, employee could raise concerns to their supervisors directly or through grievance system/procedure.

<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law:    <input type="checkbox"/> NC against customer code:</p> <p><b>None observed</b></p> <p><b>Local law and/or ETI requirement</b> <b>None observed</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>

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

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



**2: Freedom of Association and Right to Collective Bargaining are Respected**

[\(Click here to return to summary of findings\)](#)

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

**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:**

Based on interview with the management / workers and documents review, the effective policy & procedure were established on Working Rules, Labour Consultative Meeting, Policy of association and collective bargaining.

- 1. Although trade union was not formed, communication between management and workers ran well.
- 2. All interviewees were aware that they had right to choose and join any trade union and confirmed that they could raise concerns to their supervisors directly or through grievance system/procedure.
- 3. No grievance and complaint to the management as confirmed by 10 interviewed workers.
- 4. The Labour Consultative Meeting was set up and regularly held once per 3 months which much better than the legal requirement. The related and last records were well kept in file. (September 01, 2021)

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

Details:

- Workers interview
- Management interview
- The Labour Consultative Meeting records
- Working rules (policy on freedom of association)

Any other comments:

Nil

A: What form of worker representation/union is there on site?

- Union (name)
- Worker Committee
- Other (specify)

	2 worker representatives via election existed (Labour Consultative Meeting) <input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Labour Consultative Meeting  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Factory conducted labour-management conference with representative employee who was freely elected. Due to no formal union and worker committee existed.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Labour consultative meeting	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: April 15, 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 2 workers representatives were interviewed.	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Factory conducted labour-management conference with representative employee who was freely elected. Due to no formal union and worker committee existed.	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If <b>Yes</b> , what percentage by trade Union/worker representation	M1: __ N/A __% workers covered by Union CBA	M2: __ N/A __% workers covered by worker rep CBA
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>  <b>None observed</b></p>

Observation:	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

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

### 3: Working Conditions are Safe and Hygienic

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#### ETI

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

#### Current Systems and Evidence Examined

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

#### Current systems:

Based on interview with the management / workers and documents review, effective safety, health and hygienic policy & procedure were established such as machines maintenance records, fire safety inspection records and evacuation map, etc.

1. For factory, there were at least two fire exits at each floor and these were clearly marked.
2. The maps of factory evacuation route were publicly posted at each layer on site.
3. One first aid kits filled with adequate medicines were placed at each working area.
4. Firefighting equipment were properly installed and checked regularly.
5. There was 1 qualified first-aid personnel in the factory in accordance with legal requirement.
6. Factory had obtained the 3rd party building structure inspection report and public safety certificate of local government for the building structure.
7. The fire safety inspection had been conducted on November 19, 2020 and the reports were submitted to the local fire department as record.
8. The factory conducted fire drill which covered the use of firefighting system and evacuation drill twice per year (The latest fire drill was performed on June 16, 2021).
9. Firefighting equipment (Fire extinguishers – 48 pieces, Fire detector – 201 pieces, Emergency lights – 127 pieces, Evacuation exit lamp – 34 pieces, etc.) were properly installed and checked regularly.
10. There were training records/ photos on the use of fire extinguishers/ hydrants, and factory evacuation procedures were implemented.
11. 2 employees attended the Forklift driver training course and obtained the certificate.
12. The injury/ accident records were well kept.
13. All machines were fitted with emergency stop button. Proper protective devices were installed at relevant machines.
14. Toilets were sufficient and separated by sex.
15. There was one personnel in the factory had been trained by Grade B Supervisor in charge of occupational safety and health affairs to meet legal requirement.
16. Material Safety Data Sheets were posted on chemical storage and handling area.
17. Smoking was restricted at specific area in the factory and the signs of « No Smoking» were posted in the public area in the buildings.
18. The drinking water was provided with quality test report for review.

19. As claimed by Mr. Herman Huang/ HR Manager, no incident happened over the last 2 years.  
20.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety training records
- Fire equipment maintenance records
- Fire drill and evacuation drill records
- Evacuation map
- Training records/ photos on the use of fire extinguishers/ hydrants
- Regular health examination record
- Pest control plan and record
- Injury/ accident records
- Electrical wires/appliances inspection records
- Chemical list and MSDS for each chemical
- Potable water quality test report
- Interview with H&S manager
- Interviews with workers

Any other comments:  
Nil

<p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had established H&amp;S policies and procedures. One H&amp;S manager was appointed to be responsible for H&amp;S issues, and H&amp;S training courses were provided to workers regularly as well.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details:</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: There were not any structural additions including added floors and partitions. Factory had obtained the 3rd party building structure inspection report and public safety certificate of local government for the building structure.</p>

<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details:</p>
<p>E: Is a medical room or medical facility provided for workers?   If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  E1: Please give details:  Sufficient first aid kits filled with adequate medicines were placed at working areas.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  F1: Please give details:   There was one qualified first-aid personnel in the factory in accordance with legal requirement, and each first-aid personnel was set suitably on site.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  G1: Please give details:  Not applicable. Factory did not provide worker transport.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  H1: Please give details:  Locked personal storage is provided for workers in this factory.</p>
<p>I: Are H&amp;S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  I1: Please give details:  Factory don't conduct Health &amp; Safety risk evaluation.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  J1: Please give details:   Business license No. 22190742 and factory registration certification No. 65008392 were available.   Environmental permit and license were required by local government for hazardous chemical, air emission and manufacturing wastewater. General wastes and solid manufacturing wastes were properly managed such as recycling and handling by other product company or garbage truck.</p>

<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>K1: Please give details:          No banned chemicals existed in the factory.          The factory had the MSDS and a copy of the chemical list from its customer and met those requirements.</p>
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<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:            Some chemicals (oil and waste liquid) were not adequately stored with 2nd container.</p> <p><b>Local law and/or ETI requirement:</b>            It violated ETI 3.1 and &amp; Local Law            Local Law:            Damage and Prevention standard of specific chemical substance, Chapter 2 Facility, Article 33:            For worker conducting transportation or storage of specific chemical substance, to avoid leakage and overflow, employer should use proper container or have the chemical be well packed and stored at designated area. For container or package which was used to transport, store specific chemical substance, employer should take necessary action to prevent the substance from disperse. Designated place is required for the substance storage.</p> <p><b>Recommended corrective action:</b>            Chemicals shall be adequately stored with 2nd container.</p> <p><b>2. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:            Factory didn't conduct Health &amp; Safety risk evaluation.</p> <p><b>Local law and/or ETI requirement:</b>            It violated ETI 3.1 and &amp; Local Law            Local Law:            Occupational Safety and Health Act: Chapter 3 Safety and Health Management, Article 23. &amp; Enforcement Rules of the Occupational Safety and Health Act: Chapter 3 Safety and Health Management, Article 31.            Employers shall formulate a safety and health management plan based on the scale and characteristics of their business entities.            Occupational safety and health management plan includes the following matters:            1. Identification, assessment, and control of work environment or task hazards</p> <p><b>Recommended corrective action:</b>            Factory shall conduct Health &amp; Safety risk evaluation.</p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <ol style="list-style-type: none"> <li>Base on site observation.              Testimony from the management and workers</li> <li>Based on document review and interview management.              Testimony from the management.</li> </ol>



Observation:	
<b>Description of observation:</b> None observed  <b>Local law or ETI requirement:</b> None observed  <b>Recommended corrective action:</b> None observed	<b>Objective evidence observed:</b> None observed

Good Examples observed:	
<b>Description of Good Example (GE):</b> None observed	<b>Objective Evidence Observed:</b> None observed

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

[\(Click here to return to summary of findings\)](#)

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

**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:**

Based on interview with the management/ workers and documents review, effective employment policy & procedure were established such as working rules, personnel files, policy of forbidding child labour, ID card and site observation. No evidence of child labour and young worker was identified during the audit.

- 1. According to the requirement procedure, original ID card was verified for age issue at the beginning of recruitment.
- 2. Copies of ID card were kept in personnel profile.
- 3. No evidence of child labour and young worker was identified during the audit.
- 4. The age of youngest worker was 29 years old (Birthday: Feb. 17, 1992, Hiring date: June 01, 2016).
- 5. The factory established effective employment policy and recruitment procedure.

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

Details:

- Personnel files of sampled workers
- Latest list of employees
- Employment policy and recruitment procedure
- On site observation
- Interview with workers

Any other comments:

Nil

A: Legal age of employment:	16 with parent/guardian consent
B: Age of youngest worker found:	29

C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A (No worker under 18 was hired in this factory. )

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: <b>None observed</b>  <b>Local law and/or ETI requirement:</b> <b>None observed</b>  <b>Recommended corrective action:</b> <b>None observed</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  <b>None observed</b>

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

Good Examples observed:	
<b>Description of Good Example (GE):</b> <b>None observed</b>	<b>Objective Evidence Observed:</b> <b>None observed</b>

**5: Living Wages are Paid**

[\(Click here to return to summary of findings\)](#)

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

**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:**

Based on interview with the management / workers and documents review, effective Living Wages policy & procedure were established such as updated regulations and excel system management.

1. Factory paid wages to workers twice separately by bank transfer on the 5<sup>th</sup> and 20<sup>th</sup> of each month for local employees and foreign migrant employees.
2. All employees were provided with a written and understandable statement of their pay.
3. Deduction items were fair, reasonable and legal such as income tax and fees of National Health Insurance/ Labor Insurance.
4. The minimum wage was NTD 23,800 /month before 2021 and NTD 24,000 /month after 2021 that met legal requirement.

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

Details:

- Document review
- Worker interview
- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records from September 2020 to August 2021
- Leave records
- Payment receipts of National Health Insurance/ Labor Insurance
- Resignation records
- Payslips of all interviewed workers

Any other comments:

Nil

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i>  <b>None observed</b></p>
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<b>Observation:</b>	
<p><b>Description of observation:</b>  <b>None observed</b></p> <p><b>Local law or ETI requirement:</b>  <b>None observed</b></p> <p><b>Comments:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <b>None observed</b></p>

<b>Good Examples observed:</b>	
<p><b>Description of Good Example (GE):</b>  <b>None observed</b></p>	<p><b>Objective Evidence Observed:</b>  <b>None observed</b></p>

**Summary Information**

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours a day 40 hours a week	A1: 8 hours a day 40 hours a week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement (CBA) existed.
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 4 hours a day 46 hours a month	B1: 4 hours a day. 18 hours a week. 28.5 hours a month.	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining

			Agreement (CBA) existed.
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: NTD23,800 per month before 2021 and NTD24,000 per month after 2021; NTD158 per hour before 2021 and NTD160 per hour after 2021	C1: NTD23,800 per month before 2021 and NTD24,000 per month after 2021	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement (CBA) existed.
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Added additional 1/3 on respective worker's hourly wage for the first 2 overtime hours on weekday,  Additional 2/3 for the second 2 consecutive overtime hours on weekday  Rest days: Added additional 1-1/3 on respective worker's hourly wage for the first 2 overtime hours on rest day  Additional 1-2/3 for the consecutive overtime hours over two hours on rest day.  Two times for the regular hourly wage on Holiday.	D1: Added additional 1/3 on respective worker's hourly wage for the first 2 overtime hours on weekday,  Additional 2/3 for the second 2 consecutive overtime hours on weekday  Rest days: Added additional 1-1/3 on respective worker's hourly wage for the first 2 overtime hours on rest day  Additional 1-2/3 for the consecutive overtime hours over two hours on rest day.  Two times for the regular hourly wage on Holiday.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement (CBA) existed.

<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If <b>No</b> , why not?			
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 samples from Dec. 2020 10 samples from Mar. 2020 10 samples from Aug. 2021 (current) There were 10 direct workers on site for manufacturing in factory.		
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If <b>Yes</b> , please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If <b>No</b> , please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i>  The lowest wage paid to a production employee was NTD23,800 per month before 2021 and NTD24,000 per month after 2021 that met the legal requirement.	
F: Please indicate the breakdown of workforce per earnings:	F1: <u>  0  </u> % of workforce earning under minimum wage F2: <u> 9.53 </u> % of workforce earning minimum wage F3: <u> 90.47 </u> % of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>  Annual bonus; Overtime bonus; Production bonus		
H: What deductions are required by law e.g. social insurance? Please state all types:	Fee for health insurance and labour insurance, Income tax.		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that <b>have</b> been made.	1. Fee for labor insurance 2. Fee for health insurance 3. Income tax. Please describe:
		I2: Please list all deductions that	1. 2.

		<b>have not</b> been made.	Please describe:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: As per records check, all records reflected all time worked.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please specify amount/time: NTD15,600 / Month in New Taipei City (2021)		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: Local announcement from Ministry of Health and Welfare		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The HR personnel would collect and review the minimum local wage rate regularly.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Based on payroll review, equal work was paid with equal rate in general. Some wage difference existed due to different working position, seniority, etc.		
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer		



	For all employees <input type="checkbox"/> Other Q1: If other, please explain:
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**6: Working Hours are not Excessive**

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

**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:**

Based on interview with the management / workers and documents review, Working Hours policy & procedure were established such as updating the latest regulations and computer system management.

1. The factory recorded the workers working hours by paper timecard punching and recording system.
2. Based on attendance records review, the actual working hours were within legal requirements
3. All workers had two days off in every seven days.
4. Normal working hour was 8 hours per day, 5 days/ Week, 40 hours/ week.
5. Working time for all employees: 08:30 - 17:30; they had one hour for lunch & rest at noon (12:30 to 13:30).

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

Details:

·Employee interview  
 ·Management interview  
 ·Factory policy on working hours  
 ·Attendance records  
 ·Payrolls with recorded hours of all interviewed workers  
 ·Attendance record

Any other comments:  
 Nil

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI requirement:</b>  <b>Not applicable</b></p> <p><b>Recommended corrective action:</b>  <b>Not applicable</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>

Observation:	
<p><b>Description of observation:</b>  <b>None observed</b></p> <p><b>Local law or ETI requirement:</b>  <b>None observed</b></p> <p><b>Comments:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <b>None observed</b></p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>  <b>None observed</b></p>	<p><b>Objective Evidence Observed:</b>  <b>None observed</b></p>

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

<a href="#">(Go back to Key information)</a>					
<b>Systems &amp; Processes</b>					
A. What timekeeping systems are used: time card etc.	Describe: Paper timecard punching and recording system				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency Please give details:			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		Maximum number of days worked without a day off (in sample):			
		5 days.			
<b>Standard/Contracted Hours worked</b>					
	<input type="checkbox"/> Yes	G1: If yes, % of workers & frequency:			

G: Were standard working hours over 48 hours per week found?	<input checked="" type="checkbox"/> No	
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	H1: If yes, please give details:
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Sample from Dec. 2020: 4.0 hours on normal day; 58 hours/week; 28.5 hours/month Sample from Mar. 2021: 3.5 hours on normal day; 9.5 hours/week; 10.5 hours/month Sample from Jul. 2021 (Current): 3.5 hours on normal day; 10.5 hours/week; 23 hours/month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__23.8__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i>  Interviewed employees stated that their overtime was voluntary. They could refuse overtime without any punishment and threat.
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<i>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:</i>  Added additional 1/3 on respective worker's hourly wage for the first 2 overtime hours on weekday, Additional 2/3 for the second 2 consecutive overtime hours on weekday Rest days: Added additional 1-1/3 on respective worker's hourly wage for the first 2 overtime hours on rest day Additional 1-2/3 for the consecutive overtime hours over two hours on rest day. Two times for the regular hourly wage on Holiday.

<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers &amp; frequency:  134% - 267% of respective worker's hourly wage.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<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	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
	<p>N/A</p>	
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)  N/A. Not any employees overtime than 60 total hours per week in the past.	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
	<p>N/A</p>	
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details:  Based on document review and interview management. Factory declared that overtime hours are being used for extended periods to make up for labour shortages, increased order volumes or peak period.	
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**7: No Discrimination is Practiced**

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**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:**

Based on interview with the management / workers and documents review, effective no discrimination policy & procedure were established and implemented such as working rules, documented policy, training records and recruiting procedure

1. Policy on discrimination was available.
2. Factory did not request pregnancy testing for hired female workers.
3. No discrimination in hiring, compensation, welfare, dismiss and retirement despite of race, nationality, religion, disability, gender, age, sexual orientation or political affiliation was found in this factory.
4. Employees were assigned jobs based on their working experiences and ability, and same wage was paid for the same job.
5. No evidence of any form of discrimination was identified during the audit.
6. None of interviewed female workers complained any form of sexual discrimination.
7. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
8. There was an internal grievance process in this factory and all workers were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

- Documented policy on discrimination
- The hiring and termination procedure
- Payrolls
- Termination records
- Training records

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)

A1: Male: \_\_75\_\_ %  
A2: Female \_\_25\_\_ %

<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>5: Sales, Accounting, Production, HR personnel</p>
<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring  <input type="checkbox"/> Compensation  <input type="checkbox"/> Access to training  <input type="checkbox"/> Promotion  <input type="checkbox"/> Termination or retirement  <input checked="" type="checkbox"/> No evidence of discrimination found         </p> <p>C1: Please give details: NA</p>

<p><b>Professional Development</b></p>	
<p>A: What type of training and development are available for workers?</p>	<p>All workers were given H&amp;S training</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No         </p> <p>If no, please give details:</p>
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<p><b>Non-compliance:</b></p>	
<p><b>1. Description of non-compliance:</b></p> <p> <input type="checkbox"/> NC against ETI                <input type="checkbox"/> NC against Local Law                <input type="checkbox"/> NC against customer code:         </p> <p><b>None observed</b></p> <p><b>Local law and/or ETI requirement:</b> <b>None observed</b></p> <p><b>Recommended corrective action:</b> <b>None observed</b></p>	<p><b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>

<p><b>Observation:</b></p>
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<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b> None observed</p> <p><b>Comments:</b> None observed</p>	<p><b>Objective evidence observed:</b> None observed</p>
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<p align="center"><b>Good Examples observed:</b></p>	
<p><b>Description of Good Example (GE):</b> None observed</p>	<p><b>Objective Evidence Observed:</b> None observed</p>

**8: Regular Employment Is Provided**

[\(Click here to return to summary of findings\)](#)

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

**ETI**

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**Additional Elements: Responsible Recruitment**

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

**Current Systems and Evidence Examined**

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

**Current systems:**

Based on interview with the management / workers and documents review, effective Regular Employment policy & procedure were established and implemented such as working rules, documented policy and other benefit records.

All employees were recruited by the factory or legal migrant labour agency. No temporary worker, apprenticeship schemes or home worker was identified by the auditors.

1. Continual employment was provided to all workers.
2. No negative evidence was identified for home working and apprenticeship use.
3. Annual leave, health inspection, benefits and bonus were provided to all employees.
4. There are 2 Vietnam male workers through legal process which approved by sending countries' government. The fees were paid by workers within allowable limit set by law.

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

Details:

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

Any other comments:  
Nil

**Non-compliance:**

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

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

The factory employed 2 migrant workers through legal process which approved by sending countries' government. The fees were paid by workers within allowable limit set by law. However, it meets the requirements of the law but does not meet customer expectations.

**Local law and/or ETI requirement:**  
**It violated ETI 8.6**

**Recommended corrective action:**

Factory shall pay all the fees for all migrant employees to meet ETI requirement.

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Based on document review and interview management. Testimony from the management

**Observation:**

**Description of observation:**  
**None observed**

**Local law or ETI requirement:**  
**None observed**

**Comments:**  
**None observed**

**Objective evidence observed:**  
**None observed**

**Good Examples observed:**

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

**Objective Evidence Observed:**  
**None observed**

**Responsible Recruitment**

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:                      The factory employed 2 migrant workers through legal process which approved by sending countries' government.                      The fees were paid by workers within allowable limit set by law. However, it meets the requirements of the law but does not meet customer expectations.</p>
<p>C: If yes, check all that apply:</p>	<p><input checked="" type="checkbox"/> Recruitment / hiring fees  <input checked="" type="checkbox"/> Service fees  <input checked="" type="checkbox"/> Application costs  <input type="checkbox"/> Recommendation fees  <input type="checkbox"/> Placement fees  <input type="checkbox"/> Administrative, overhead or processing fees  <input type="checkbox"/> Skills tests  <input type="checkbox"/> Certifications  <input type="checkbox"/> Medical screenings  <input type="checkbox"/> Passports/ID's  <input type="checkbox"/> Work / resident permits  <input type="checkbox"/> Birth certificates  <input type="checkbox"/> Police clearance fees  <input type="checkbox"/> Any transportation and lodging costs after employment offer  <input type="checkbox"/> Any transport costs between work place and home  <input type="checkbox"/> Any relocation costs after commencement of employment  <input type="checkbox"/> New hire training / orientation fees  <input checked="" type="checkbox"/> Medical exam fees  <input type="checkbox"/> Deposit bonds or other deposits  <input type="checkbox"/> Any other non-monetary assets  <input checked="" type="checkbox"/> Other –</p> <p>C1: If other, please give details:                      Airplane ticket fee</p>
<p>D: If any checked, give details:</p>	<p>The factory employed 2 migrant workers through legal process which approved by sending countries' government.                      The fees were paid by workers within allowable limit set by law. However, it meets the requirements of the law but does not meet customer expectations.</p>

<b>Migrant Workers:</b>	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	Machine operator
B: Please give details about recruitment agencies for migrant workers:	<p>B1: Total number of (in country recruitment agencies) used: Total of 2 migrant employees from one recruitment agency.</p> <p>B2: Total number of (outside of local country) recruitment agencies used: No outside agency was used for the contract workers in this factory. Migrant employees with fixed term contract were permanent. They kept a copy of their labor contract with them. All documents were written in migrant's (Vietnam) and local (Chinese) languages. Both migrant workers' government and local government involved into migrant workers' employment. The employment of migrant workers was compliance with legal requirement.</p>
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      C1: Please describe finding:                      The fees were paid by workers within allowable limit set by law such as the fees of national health and labor insurance met local law requirement.                 </div> <div style="width: 45%;">                     C2: Observations:                      Through wage summary/slip review                 </div> </div>
D: Are Any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  D1: If yes, number and example of roles: 2 Machine operators

## NON-EMPLOYEE WORKERS

<b>Recruitment Fees:</b>	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees

	<input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other  B1 – If other, please give details:
C: If any checked, give details:	N/A

<b>Agency Workers (if applicable)</b> <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  E1: Please give details:

<b>Contractors:</b>	
<i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If <b>Yes</b> , how many workers supplied by contractors?	
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	

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

[\(Click here to return to summary of findings\)](#)

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Based on site observation, document review and interview with management.

1. There were no sub-contractors.
2. No home-working existed 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	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

**Non-compliance:**



<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI /Additional Elements requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>
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Observation:	
<p><b>Description of observation:</b>  <b>None observed</b></p> <p><b>Local law or ETI/Additional elements requirement:</b>  <b>None observed</b></p> <p><b>Comments:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b></p>

Good Examples observed:	
<p>Description of Good Example (GE):  <b>None observed</b></p>	<p><b>Objective Evidence Observed:</b>  <b>None observed</b></p>

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please describe:</p>
<p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  B1: If <b>Yes</b>, summarise details:</p>
<p>C: Number of sub-contractors/agents used:</p>	

D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If <b>Yes</b> , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

<b>Summary of homeworking – if applicable</b> <input checked="" type="checkbox"/> Not Applicable please x
--

A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If <b>Yes</b> , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

**9: No Harsh or Inhumane Treatment is Allowed**  
[\(Click here to return to summary of findings\)](#)

**ETI**

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details:  There were suggestion box, internal confidential email and hotline for reporting grievances.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>All workers were aware of these processes for reporting grievances.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Suggestion box, confidential e-mail and hotline were used in this factory, issues were discussed and investigated by senior management.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other  D1: Please give details:</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  G1: If no, please explain  Factory had a published and transparent disciplinary procedure in working rules.</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

**Current Systems and Evidence Examined**

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

**Current systems:**

Based on interview with the management / workers and documents review, the policies of No Harsh or Inhumane Treatment were established and implemented.

1. No evidence of physical abuse or discipline, threat of physical abuse, sexual coercion, verbally threaten, exploitation, harassment or intimidation was identified. Interviewed workers generally expressed positive feedback to the treatment from factory management.
2. Communications between management and the workers were unimpeded. The interviewed workers confirmed that any complaint or unhappiness could be reflected to their employer directly or through internal confidential email or hotline.
3. Written management rule was established; workers were communicated and aware of the rules.

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

Details:

- The relevant policy on prevention of harassment and abuse
- Internal grievance procedure documentation
- Training records

Any other comments:  
 Nil

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>
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Observation:	
<p><b>Description of observation:</b>  <b>None observed</b></p> <p><b>Local law or ETI requirement:</b>  <b>None observed</b></p> <p><b>Comments:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <b>None observed</b></p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>  <b>None observed</b></p>	<p><b>Objective Evidence Observed:</b>  <b>None observed</b></p>

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

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

**Additional Elements**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Based on interview with the management/ workers and documents review, the entitlement of labour and working was stated in worker rules and published to all workers.

1. All workers were reviewed and validated for the legal right to work during the hiring process.
2. For local workers, the factory recruited the new workers through advertisement in employment service station / internet (Manpower bank) and another employee's recommendation.
3. The workers were aware of the terms and conditions of employment (wage, working hours, pay day, benefits, job position, annual leave, rules, etc) by proper training courses at commencement of employment, which was confirmed by the interviewed workers.

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

Details:

- Hiring procedure
- Personnel files
- Working rules
- Training records

Any other comments:

Nil

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI /Additional Elements requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>
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Observation:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <input type="checkbox"/> NC against customer code:  <b>None observed</b></p> <p><b>Local law and/or ETI /Additional Elements requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>

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

**10. Other issue areas 10B2: Environment 2–Pillar**

[\(Click here to return to summary of findings\)](#)

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:**

Any other comments:

Based on site observation and document review (such as Business license, Factory registration permit, environmental policy / procedures, etc.) established and implemented.

1. All living general garbage were disposed by local government.
2. Not any deficiency issued by government agencies in the past years.
3. Business license and Factory registration permit are available.
4. Environmental permit were required by local government for hazardous chemical, air emission and manufacturing wastewater.
5. General wastes and solid manufacturing wastes were properly managed such as recycling and handling by other product company or garbage truck.

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

Details:

- Management interview
- Business license
- Contract of legal environmental & cleaning company
- Hazardous chemical permit
- Air emission permit
- Manufacturing wastewater permit

Any other comments:

Nil

**Non-compliance:**



<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law  <b>None observed</b></p> <p><b>Local law and/or ETI /Additional Elements requirement:</b>  <b>None observed</b></p> <p><b>Recommended corrective action:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p> <p><b>None observed</b></p>
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Observation:	
<p><b>Description of observation:</b>  <b>None observed</b></p> <p><b>Local law or ETI/Additional Elements requirement:</b>  <b>None observed</b></p> <p><b>Comments:</b>  <b>None observed</b></p>	<p><b>Objective evidence observed:</b>  <b>None observed</b></p>

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

## Appendix 1

<p><b>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</b></p> <p><input type="checkbox"/> Not Applicable please x</p>	
<p><b>NOTE:</b> The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
<p><b>ETI Code / Additional Elements</b></p>	<p><b>Customer's Supplier Code equivalent</b></p>
<p><b>0.A. Universal Rights covering UNGP</b></p>	<p><b>0.A. Universal Rights covering UNGP</b></p>
<p><b>0.A. Guidance for Observations</b>            0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.            0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights            0.A.3 Businesses shall identify their stakeholders and salient issues.            0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.            0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.            0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
<p><b>0.B. Management Systems &amp; Code Implementation</b></p>	<p><b>0.B. Management Systems &amp; Code Implementation</b></p>
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

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

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>	
<p><b>ETI 4. Child labour shall not be used</b></p>	<p><b>ETI 4. Child labour shall not be used</b></p>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<p><b>ETI 5. Living wages are paid</b></p>	<p><b>ETI 5. Living wages are paid</b></p>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<p><b>ETI 6. Working Hours are not excessive</b></p>	<p><b>ETI 6. Working Hours are not excessive</b></p>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>- this is allowed by national law;</li> <li>- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>- appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<p><b>ETI 7. No discrimination is practised</b></p>	<p><b>ETI 7. No discrimination is practised</b></p>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<p><b>ETI 8. Regular employment is provided</b></p>	<p><b>ETI 8. Regular employment is provided</b></p>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p>	

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b>              8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.              8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.              8.5 Employment agencies must only supply workers registered with them.              8.6 Workers pay no recruitment fee at any stage of the recruitment process.              8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<p><b>8A: Sub-Contracting and Homeworking</b></p>	<p><b>8A: Sub-Contracting and Homeworking</b></p>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.              8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>	<p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.              Additional elements:              9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p><b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b></p>	
<p><b>Additional Elements</b>              10A.1 Only workers with a legal right to work shall be employed or used by the supplier.              10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<p><b>10. Other issue areas 10B2: Environment 2-Pillar</b></p>	

<p>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.  <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
<p><b>Environment Section</b></p>	<p><b>Environment Section</b></p>
<p><b>B.4. Compliance Requirements</b>            10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.            10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.            10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements            10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.            10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.            10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).            10B4.7 Businesses shall make continuous improvements in their environmental performance.            10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation            10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.  <b>B4. Guidance for Observations</b>            10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.            10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
<p><b>Business Practices Section</b></p>	

**10C. Compliance Requirements**

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

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

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

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

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

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

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

**10C. Guidance for Observations**

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.




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



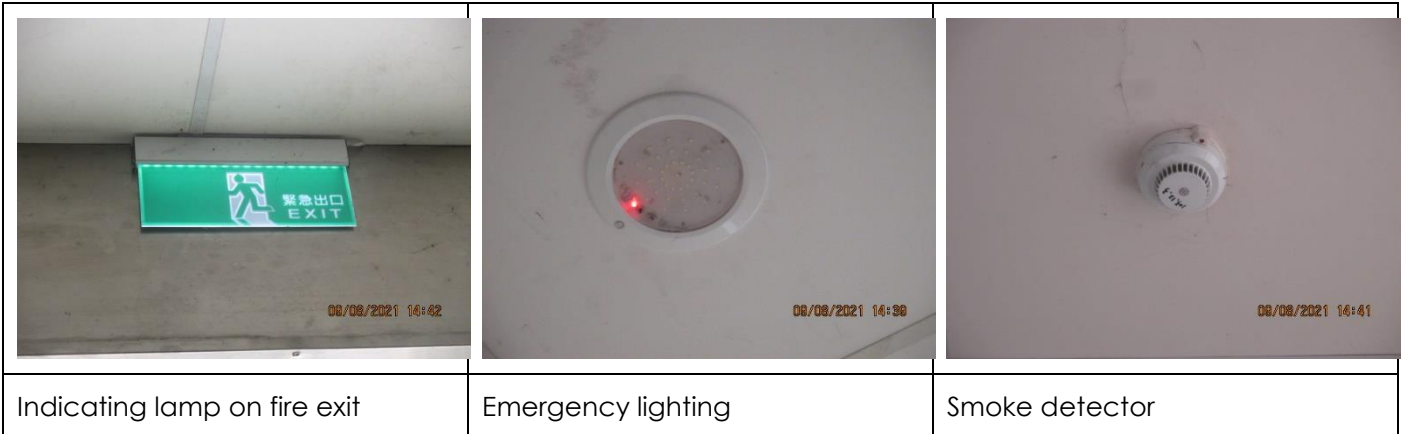
## Photo Form

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

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


		
Factory entrance	Name plate	Address plate

		
Heating and Mixing & Emulsification	Vacuum dehydration	Drying





<p>Manual alarm equipment</p>	<p>Escape route map</p>	<p>PPE on site</p>
<p>First aid kit (Office)</p>	<p>Contents of first aid kit (Office)</p>	<p>Electric cabinets with separated panel to prevent shock</p>
<p>Wastewater handle equipment-1</p>	<p>Wastewater handle equipment-2</p>	<p>Paper timecard punching and recording system</p>

		
<p>Dormitory-male</p>	<p>Dormitory –Indicating lamp on fire exit</p>	<p>Dormitory – Fire extinguisher</p>
		
<p>Dormitory room</p>	<p>Manufacturing wastewater permit</p>	<p>Air emission permit</p>
		
<p>Factory register certification</p>	<p>Business license</p>	<p>Public safety certificate of local government for the building structure.</p>



Fire equipment safety inspection report	Fire drills record	Hazardous chemical permit
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<p>NC: Some chemicals (oil) were not adequately stored with 2nd container.</p>	<p>NC: Some chemicals (oil) were not adequately stored with 2nd container.</p>	
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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:

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

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