

Sedex Members Ethical Trade Audit (SMETA) Report

(Version 4.0 May 2012, 2/4 Pillar Audit; replaces version 2.4. Sept 2010)

Supplier name:	Team Concepts Printing Fty	
Site country:	China	
Site name:	Team Concepts Printing Fty	
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety Business Practices and Environment. The SMETA Best Practice Methodology v.4.0 May 2012 was applied. 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:

Please check appropriate SMETA Audit Type in the above box:

2-Pillar SMETA Audit

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

4-Pillar SMETA Audit

- o 2-Pillar requirements plus
- o Additional Pillar assessment of Environment
- o Additional Pillar assessment of Business Practices

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.



Intertek

Audit Company Name: Intertek	Report Owner (payee): <i>(If paid for by the customer of the site, please remove for Sedex upload)</i> Team Concepts Printing Fty
Sedex Company Reference: <i>(only available on Sedex System):</i>	S Not provide
Sedex Site Reference: <i>(only available on Sedex System)</i>	P Not provide

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

Auditor Reference Number: <i>(If applicable)</i>	Not applicable
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SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA best practice guidance.

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

Auditor Name(s) (please list all including all interviewers): Robby Lee and Andy Li

Role: Leader and Member

Date: 7th May 2014

Audit Details

Audit Details	
A: Report #:	SZX-41092-01
B: Date of audit:	7 th May 2014
C: Time in and time out:	Time in: 10:00 Time out: 18:00
D: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	1.7 mandays
E: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define
F: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced <input type="checkbox"/> Unannounced
G: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If no, why not?	No such information was provided
I: Auditor name(s) and role(s):	Robby Lee(Leader) and Andy Li (Member)
J: Report written by:	Robby Lee
K: Report reviewed by:	Janet Zeng
L: Report issue date:	May 14, 2014
M: Supplier name:	Team Concepts Printing Fty
N: Site name:	Team Concepts Printing Fty
O: Site country:	China
P: Site contact and job title:	Mr. Lu Bin/ General Manager
Q: Site address:	Jinfu 2 Rd, Huanan Ind Park, Liaobu Town, Dongguan City, Guangdong Province, China
Site phone:	86 769 38893686
Site fax:	86 769 83037911

Site e-mail:	enquiry@teamconceptsprinting.com			
R: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	License NO. :441900000838793			
S: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Printing products			
T: Audit results reviewed with site management?	Yes			
U: Who signed and agreed CAPR (Name and job title)	Mr. Lu Bin/ General Manager			
V: Did the person who signed the CAPR have authority to implement changes?	Yes			
W: Previous audit date:	N/A			
X: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define:			

Audit Scope

Local Law	
(Please state legal requirement)	
A: Standard work week: (total hours excluding overtime)	8 hours per day and 40 hours per week
B: Maximum allowed overtime hours: (please state per day, week, month)	Not exceed 3 hours per day and 36 hours per week
C: Minimum work age:	16 years old
D: Minimum legal wage for standard hours: (please state per day, week, month)	The local minimum wage standard was set at RMB 1100 per month equivalent to RMB 6.32 (1100/21.75/8) per hour before May 1, 2013 and RMB 1310 per month equivalent to RMB 7.53 (1310/21.75/8) per hour since May 1, 2013.
E: Minimum legal overtime wage: (please state per day, week, month)	The employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: 1) to pay no less than 150% of the normal wages if the extension of working hours is arranged; 2) to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and to pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.

Audit Scope	
(Please select the code and additional requirements that were audited against during this audit)	
2-Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4-Pillar	<input checked="" type="checkbox"/>
10C: Business Practices	<input checked="" type="checkbox"/>

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

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other



applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Non-Compliance Table

Issue		Area of Non-Conformity <i>(Only check box when there is a non-conformity)</i>			Record the number of issues by line*:		
		ETI Base Code	Local Law	Additional Elements	NC	Obs	GE
0	Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
1	Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		2	0	0
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
5	Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
6	Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
8A	Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	0	0	0
10C	Business Practices		<input type="checkbox"/>	<input type="checkbox"/>		0	0

*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.

Audit Overview

Audit Overview			
	Management	Worker Representatives	
Audit attendance	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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 type="checkbox"/> No N/A
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 type="checkbox"/> No N/A
D: If Worker Representatives not present please explain reasons why	N/A		
E: If Union Representatives not present please explain reasons why:	No union exist at the facility.		
F: Site description: (Include size, location and age of site. Also include structure and number of buildings)	<p>Team Concepts Printing Fty is located in Jinfu 2 Rd, Huanan Ind Park, Liaobu Town, Dongguan City, Guangdong Province, China. This is a private-invested company. The total land area occupied by the facility is about 10000 square meters. They started their operation at the existing location since 2010.</p> <p>A total of 97 employees including 48 female employees and 49 male employees are currently working in the facility. The ages ranged from 19 to 45 years old. There are 65 production employees and 32 non-production employees. There were 8 local employees in the facility and others are migrant employees coming from different provinces of China, such as Hu Bei, He Nan and Si Chuan and etc.</p> <p>The facility was located in 1F, 3F and half of 2F of one 3-storey building, one 3-storey building used as office and one 5-storey building was used as dormitory, and 1F of the dormitory was used as kitchen and canteen.</p> <p>The employees work for 5 days a week in 1 shift. The normal working hours in other departments is from 8:00 to 17:30 with break from 12:00 to 13:30. IC card Attendance System is used for time keeping method. All employees' wages are calculated on a monthly-rated basis. The peak season is not obvious.</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										
H: Month(s) of peak season: <i>(if applicable)</i>	The peak season is not obvious.										
I: Typical production level as a % of the total capacity by month (record below): <i>Site declaration only – this has not been verified by auditor.</i>											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
50%	55%	60%	55%	80%	80%	80%	80%	80%	80%	80%	80%
J: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)											
The main products manufactured by the factory are printing products The main production processes are listed as follows: Cutting, Printing, moulding, assembly and packing The main machine list of the factory is as following: 3 cutting machines, 3 moulding machines and 5 printing machines											
K: 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											
6 employees were selected for the individual interview and total 4 employees in 1 group was selected for the group interview, all the interviewees were favourable with the management and facility environment and no negative information was raised.											
L: Attitude of managers: (Include attitude to audit, and audit process. Both positive and negative information should be included)											
The facility management showed a positive attitude to this audit during the whole process. Locked areas encountered during the audit were unlocked timely. At the end of the audit, all the findings were accepted by the factory management. Generally speaking, the facility management was cooperative throughout the audit.											
M: Summary of main findings: (positive and negative) <i>(This is a summary <u>not</u> a repeat of the section detail)</i>											
Audit Process: This Full Initial audit was conducted by Intertek Testing Services Shenzhen Ltd. Two auditors assessed / verified the factory's operations against the ETI Base Code and local legislations on a sampling basis in one day. Overview of opening meeting, facility management responses: At 10:00 am May 7, 2014, auditor entered the facility then held an opening meeting according to Sedex Program;											

the facility management Mr. Lu/ General manager and Mr. Wu/ HR. manager were present in the meeting. They stated that they would be co-operative with this audit.

10 attendance records and payroll records from March 2014 (current month), 10 attendance records and payroll records from October 2013 (random month) and 10 attendance records and payroll records from August 2013 (random month) were reviewed in this audit. 10 workers were interviewed, including 2 males and 8 females.

Summary of Findings (positive and negative):

In view of the findings raised, below non-compliances were found in the areas of Safety and Hygienic Conditions. Details of the findings were listed in relevant sections. For other areas, no violation was noted.

1. It was noted that no emergency light was installed on 1 out of 1 exit in sample room (about 30 square meters) and 1 out of 1 exit of finished goods warehouse (about 50 square meters)
2. It was noted that no exit sign was affixed on 1 out of 1 exit in sample room (about 30 square meters) and 1 out of 1 exit of finished goods warehouse (about 50 square meters)

Observation:

1. It was noted that the facility did not provide the SAQ for review.
2. It was noted that the facility did not provide the SAQ for review.

Key Information

Key Information		
A: Do all workers (including migrant workers) have contracts of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence </div>	
D: For the lowest paid production worker, are wages paid for standard hours (excluding overtime) below or above the legal minimum?	Wages found:	Please indicate the breakdown of workforce according to earnings:
	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	_____% of workforce earning under min wage _____100_____ % of workforce earning min wage _____% of workforce earning above min wage
E: % of piece rate workers: (if applicable)	N/A, no piece rate at the facility	
F: Combined hours (standard and overtime) over 60 per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
G: Are the correct overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I: % of workers living in site provided accommodation (if applicable):	100%	
J: Age of youngest worker found:	19 years old	
K: Workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes _____% of under 18's at this site (out of total workers) <input checked="" type="checkbox"/> No	
L: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None	
M: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
N: Is It a legal requirement to have a workers committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

<p>O: Is there any other form of effective worker/management communication channel? (Other than union/worker committee)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Suggestion box</p>
<p>P: Are there any External Processes?</p>	<p><input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process (detail) <input checked="" type="checkbox"/> No external processes</p>
<p>Management Systems:</p>	
<p>Q: Nationality of Management</p>	<p>Chinese</p>
<p>R: Majority nationality of workers</p>	<p>Chinese</p>
<p>S: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)</p>	<p>__ 10 __ %</p>
<p>T: Were accurate records shown at the first request?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>If not, why not?</p>	<p>N/A</p>
<p>In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:</p>

Worker Analysis

Worker Analysis								
	Local			Migrant				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – male	5	0	0	45	0	0	0	50
Worker numbers – female	3	0	0	44	0	0	0	47
Total	8	0	0	89	0	0	0	97
Number of Workers interviewed	0	0	0	10	0	0	0	10

Contractors:

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

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, how many workers supplied by contractors	N/A
C: Are all contractor workers paid according to law: (please record evidence)	N/A

Migrant Workers:

Please see SMETA Best Practice Guidance - Page 37

D: Originating Locations/Countries:	Different provinces such as Hu Nan, He Nan and Hu Bei of China
E: Work undertaken by migrant workers:	Cutting, Printing, moulding, assembly and packing
F: Were migrant workers recruited through an agency?	No
If yes, is there a contract with the agency? Provide details of agencies and contractual arrangements	N/A

G: Percentage of migrant workers in company provided accommodation:	100%
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Audit Results by Clause

0: Management systems and code implementation:

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
 0.3 Suppliers are expected to communicate this Code to all employees.
 0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:
 Management rules and responsibility
 Organization chart
 Social Responsibility documents

Description of Current Status:

1. The facility implements and maintains systems for delivering compliance to this Code.
2. One senior manager is responsible for compliance with the Code.
3. The facility communicates this Code to all employees and to their suppliers by training.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI requirement:

Objective evidence observed:

Not applicable

Not applicable	
Comments:	
Not applicable	

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

1: Employment is Freely Chosen

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Employee manual

Social Responsibility documents

Description of current status:

Through document review and employee interview, it was noted that employment was freely chosen in the facility.

Detailed information was as below:

- 1) The employees were employed on a voluntary basis.
- 2) The facility did not withhold any employees' ID cards.
- 3) The facility did not limit the employees' freedom or lock any exit of the facility during working time.
- 4) The facility would not force employees to work overtime or threaten employees to work overtime.
- 5) Wage was paid to employees directly.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law
None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

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

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.

Evidence of Compliance and Current Status:

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Employee manual

Social Responsibility documents

Description of current status:

Through employees interview, it was noted that:

- 1) The facility did not interfere with employees' right to join legal associations and take part in their activities.
- 2) Through the facility management interview and workers' interview, it was noted that workers can raise their concerns through trade union representatives, telephone, suggestion box, meeting and their team leader or above.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Objective evidence observed:

Not applicable

Not applicable	
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A: Name of union and union representative, if applicable:	N/A. There isn't union in the facility.	
If no union what is parallel means of consultation with workers e.g. worker committees?	Employees committee, suggestion box and meeting.	
B: Is there any evidence that this is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	N/A. There isn't union in the facility.	
C: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes what percentage by trade Union/worker representation	<u> 0 </u> % workers covered by Union CBA	<u> 0 </u> % workers covered by worker rep CBA
D: Does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No CBA	

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

3: Working Conditions are Safe and Hygienic

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

EHS committee chart

EHS policy

EHS training record

Fire safety certificate

Description of current status:

Through facility tour, it was noted that the facility maintained a comfortable temperature throughout work floors. They were well ventilated. The electrical system was in a good condition. All switches in the electrical control panels have been labelled. The facility posted the evacuation plans on work floors, which indicated escape routes and the location of the fire extinguishers. Sufficient first aid kits stocked with necessary supplies are provided in workshops. Drinkable water was available in workshops. Employees receive regular and recorded health & safety training such as fire drill.

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

It was noted that no emergency light was installed on 1 out of 1 exit in sample room (about 30 square meters) and 1 out of 1 exit of finished goods warehouse (about 50 square meters)

Local law or ETI requirement

In accordance with Fire Safety of Building Design Regulation (GB50016-2006) article 11.3.1, There shall be fire emergency lighting at the following places of civil buildings, factory buildings and class C warehouses, other than residential buildings:

A. Enclosed staircases, smoke-proof staircases and their anterooms, and anterooms or shared anterooms of fire elevators;

B. Fire control rooms, fire pump rooms and automatic power generator rooms, switchboard rooms, smoke-prevention rooms and smoke exhaust fan rooms, and other

Objective evidence observed:

Onsite observation

rooms that are still in normal work when a fire happens;
 C. Auditorium, exhibition or business hall, multi-functional hall and dining hall with a floor area over 400m² and teleitorium with a floor area over 200 m².
 D. Public areas in underground and semi-underground buildings or basement and semi-basements with a floor area of more than 300 m².
 E. Evacuation passages in public buildings.

Recommended corrective action:

It is recommended that emergency light should be installed at the above areas

2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

It was noted that no exit sign was affixed on 1 out of 1 exit in sample room (about 30 square meters) and 1 out of 1 exit of finished goods warehouse (about 50 square meters)

Local law or ETI requirement:

In accordance with the Code of Design on Building Fire Protection and Prevention GB50016-2006 Article 11.3.4: Lighted Evacuation Indication Signs shall be installed along the evacuation passages, directly over the safety exits and the evacuation doors of assembly occupancies for public building, high-rise industrial building (warehouse), and industrial building of Category A, B and C.

1. "Safety Exit" shall be used as indication sign directly over the safety exit and evacuation door.

Recommended corrective action:

It is recommended that exit signs should be affixed on above areas.

Objective evidence observed:

Onsite observation

Observation	
Description of observation: None observed Local law or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

4: Child Labour Shall Not Be Used

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Employee manual
 Social Responsibility documents
 Personnel files
 Management interview
 Worker interview

Description of current status:

1. The facility establishes a policy that will never employ and use any child labour under the age of 16 years old.
2. The facility will verify all employees' original ID cards at the time of recruitment and keep the photocopies of employees' ID cards in the personnel files.
3. Sufficient numbers of employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law
 None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

Objective evidence

<p>None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>observed: Not applicable</p>
--	--

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

5: Living Wages are Paid

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Attendance records from April 1, 2013 to May 6, 2014

Payroll records from April 2013 to March 2014

Social insurance documents

Leave Records

Resignation records

Production records

Management interview

Worker interview

Description of current status:

1. All employees are 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.

2. The factory provided sick leave, marriage leave and maternity leave to all eligible employees.

3. All uniforms in the factory were free to all employees.

Remark:

1. Attendance records from April 1, 2013 to May 6, 2014 and payroll records from April 2013 to March 2014 were provide for review.

2. The local minimum wage standard was set at RMB 1100 per month equivalent to RMB 6.32 (1100/21.75/8) per hour before May 1, 2013 and RMB 1310 per month equivalent to RMB 7.53 (1310/21.75/8) per hour since May 1, 2013.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law or ETI requirement:

Not applicable

Objective evidence observed:

Not applicable

Recommended corrective action:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Wages analysis:

A: Sample size:

(number of wages checked and which weeks or months – please see BPG)

10 samples from March 2014 (current month).
10 samples from October 2013 (random month).
10 samples from August 2013 (random month)

B: Legal minimum wage for standard time:

(excluding OT - please include time period e.g. hour/week/month)

The local minimum wage standard was set at RMB 1100 per month equivalent to RMB 6.32 (1100/21.75/8) per hour before May 1, 2013 and RMB 1310 per month equivalent to RMB 7.53 (1310/21.75/8) per hour since May 1, 2013.

C: Are there different legal minimum wage grades? If yes, please specify all.

☐ Yes
☒ No

If yes, please give details: N/A

D: Where there are different legal minimum wage grades are all workers graded correctly?

☐ Yes
☒ No

If no, please give details: N/A

E: What deductions are required by law:

Social insurance, personal income tax and housing provident fund

F: Have all of these deductions been made?	Yes
G: Industry norm for this region: <i>(please include time period e.g. hour/week/month)</i>	Not available
H: Legal overtime premium for weekdays: <i>(please include time period e.g. hour/week/month)</i>	150% of employee's normal rate
I: Legal overtime premium for rest days: <i>(please include time period e.g. hour/week/month)</i>	200% of employee's normal rate
J: Legal overtime premium for holidays: <i>(please include time period e.g. hour/week/month)</i>	300% of employee's normal rate

Worker Type	Process Operator (Highest paid)	Process Operator (Average paid)	Process Operator (Lowest paid)
Select one worker's records from each "Worker Type" and populate the boxes. Ensure comparison is made for same pay period (peak) and only uses full-time workers. See SMETA Best Practice Guidance for completing this:			
A: Pay period (please include time period e.g. hour/week/month):	March 2014	March 2014	March 2014
B: Anonymous Employee Reference/Dept.	Employee A/Hand working	Employee B/Hand working	Employee C/Hand working
C: Employee Gender	Female	Male	Female
D: Contracted wage (please include time period e.g. hour/week/month):	RMB 1310	RMB 1310	RMB 1310
E: Standard working hours (excluding OT - please include time period e.g. hour/week/month):	168 hours	168 hours	168 hours
F: Standard work pay rate (excluding OT - please include time period e.g. hour/week/month):	RMB 1265.04	RMB 1265.04	RMB 1265.04
G: Standard day overtime – hours (please include time period e.g. hour/week/month):	6 hours	6 hours	6 hours
H: Standard day overtime – wage (please include time period e.g. hour/week/month):	RMB 67.77	RMB 67.77	RMB 67.77
I: Rest day overtime – hours (please include time period e.g. hour/week/month):	24 hours	24 hours	24 hours
J: Rest day overtime – wage (please include time period e.g. hour/week/month):	RMB 361.44	RMB 361.44	RMB 361.44
K: Statutory Holiday overtime – hours (please include time period e.g. hour/week/month):	0	0	0
L: Statutory holiday OT - wages (please include time period e.g. hour/week/month):	0	0	0

M: Total overtime hours <i>(please include time period e.g. hour/week/month):</i>	30 hours	30 hours	30 hours
N: Incentives/Bonus/ Allowances etc. <i>(please include time period e.g. hour/week/month):</i>	RMB 1330	RMB 150	RMB 100
O: Gross wages <i>(please include time period e.g. hour/week/month):</i>	RMB 3024.25	RMB 1844.25	RMB 1794.25
P: Social insurance and other deductions	RMB 164	RMB 164	RMB 164
Q: Actual wage paid after deduction <i>(please include time period e.g. hour/week/month):</i>	RMB 2860.3	RMB 1680.3	RMB 1630.3
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
Nil			
R: Is there a defined living wage: <i>This is not normally legal wage. If answered Y please state amount and source of info: Please see BPG)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
S: Are workers paid in a timely manner in line with local law?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
T: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Through facility rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work.		
U: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer If not explain:		
Actual overtime premium paid in sample for...			
V: Weekdays:	150% of employee's normal rate		
W: Rest days:	200% of employee's normal rate		
X: Holidays:	300% of employee's normal rate		

6: Working Hours are not Excessive

ETI

6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.

6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Attendance records from April 1, 2013 to May 6, 2014

Payroll records from April 2013 to March 2014

Social insurance documents

Leave Records

Resignation records

Production records

Management interview

Worker interview

Description of current status:

Through employees' interview and attendance records review, no overtime.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI

☐ NC against Local Law

None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Working hours analysis	
<i>Please include time period e.g. hour/week/month</i>	
A: What timekeeping systems are used: time card etc.	IC card
B: Sample size checked (number of workers): <i>Please see BPG</i>	10 samples from March 2014 (current month). 10 samples from October 2013 (random month). 10 samples from August 2013 (random month)
C: Legal standard work week (hours): <i>(Excluding OT - please include time period e.g. hour/week/month).</i>	8 hours per day and 40 hours per week
D: Contracted standard work week this site (hours) <i>(excluding OT - please include time period e.g. hour/week/month)::</i>	40 hours per week
E: Actual standard work week averaged over sample for full time workers: <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours per week
F: Lowest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours per week
G: Highest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours per week

H: Percentage workers on part-time contracts	__0__ % age
I: Legal permitted overtime hours <i>(please include time period e.g. hour/week/month)</i>	Not exceed 3 hours per day and 36 hours per month
J: Any local waivers or permission for annualised hours for this site:	Nil
K: Actual overtime hours: (averaged over sample) <i>(please include time period e.g. hour/week/month)</i>	30 hours in March 2014 24 hours in October 2013 28 hours in August 2013
L: Range of overtime hours over all workers: <i>(quote highest and lowest please include time period e.g. hour/week/month)</i>	30 hours in March 2014 (Most current month) 24 hours in October 2013 (Random month) 28 hours in August 2013(Random month).
M: approx % of workers on highest overtime hours:	_95__ %
N: Peak season(s): <i>months</i>	Peak season is not obvious
Comments: (Please state here any specific reasons/circumstances that explain the highest working hours)	
Nil	

7: No Discrimination is Practiced

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Employee manual
Social Responsibility documents

Description of current status:

According to employee interview, no discrimination in compensation, promotion, benefits based on the race, religious beliefs and gender.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law
None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

8: Regular Employment Is Provided

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Employee manual

Social Responsibility documents

Labour contracts

Description of current status:

Through document review, facility management and employees interview, it was noted that:

- 1) The facility signed the labour contract with all employees that hired by the facility directly and one copy of labour contract was given to employees.
- 2) The labour contract had a length of three years and the probationary period is a length of three months.
- 3) No temporary employees were working in the facility.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

8A: Sub-Contracting and Homeworking:

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Production records

Description of current status:

It was verified through document review, facility tour, management interview and employee interview that no sub-contracting & Home-working was used by this facility.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
None observed

☐ NC against Local Law

Local law or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI/Additional elements requirement:

Not applicable

Objective evidence observed:

Not applicable

Comments: Not applicable	
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Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Summary of sub-contracting – if applicable	
A: Number of sub-contractors/agents used	No sub-contractor was used in the facility.
B: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, summarise details:
C: What checks are in place to ensure no child labour is being used and work is safe?	N/A. No sub-contractor was used in the facility.
D: What processes are sub-contracted?	N/A. No sub-contractor was used in the facility.

Summary of homeworking – if applicable			
E: Number of homeworkers	Male: none	Female: none	Total: none
F: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A, no home worker was found in the facility.		
G: If through agents, number of agents	N/A		
H: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: How does site ensure worker hours and pay meet local laws for homeworkers?	N/A		
J: What processes are carried out by homeworkers?	N/A		

K: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
L: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

9: No Harsh or Inhumane Treatment is Allowed

ETI

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

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Social Responsibility documents

Description of current status:

The facility established anti-harsh or inhumane treatment policy. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Through the facility management and workers' interview, it was noted that no physical abuse or discipline happened in the facility and the disciplinary procedure of the facility is verbal warning and education.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
None observed

☐ NC against Local Law

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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

Additional Elements

10A1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.
 10A3 employment agencies must only supply workers registered with them.
 10A4 the supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Social Responsibility documents
 Factory Tour
 Worker interview
 Management interview

Description of current status:

All workers with a legal right to work shall be employed or used by the factory.
 No dispatched employees used by the facility.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
 None observed

☐ NC against Local Law

Local law or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation	
Description of observation: None observed Local law or ETI/Additional Elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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

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

B.4. Compliance Requirements

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

10B4.2. Where it is a legal requirement, suppliers 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. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.

B4. Guidance for Observations

10B4.4. Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.5. Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.6. Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.7. 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).

10B4.8. Suppliers shall seek to make continuous improvements in their environmental performance.

10B4.9. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation

10B4.10. Suppliers should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

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

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

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

Environmental documents such as EIA report, EIA approval and monitoring reports review, management interview and facility tour.

Description of current status:

1. The facility had written environmental policy.
2. One senior manager was responsible for continuous improvements in their environmental performance.
3. The facility obtained EIA report and EIA approval.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local None observed Non-compliance classified as: minor / major / critical Not applicable Local law or ETI /Additional Elements requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation	
1. Description of observation: It was noted that the facility did not provide the SAQ for review. Local law or ETI/Additional elements requirements: In accordance with ETI Base Code section 10B4.4. Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. Comments: It is recommended that the facility should have completed the appropriate section of the SAQ and have made it available to the auditor. Time scale: 90 days	Objective evidence observed: Through the documentation review and management interview, it was noted that the facility did not provide the SAQ for review.

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Environmental Analysis		
<i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>		
Criteria	Current year: Please state period: <u>From April 2013 to March 2014</u>	Previous Year: Please state period: <u>2012</u>

Electricity Usage: <i>Kw/hrs</i>	1,268,362	1,190,706
Gas Usage: <i>Kw/hrs</i>	0	0
Renewable Energy Usage: <i>Kw/hrs</i>	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Water Sources <i>Please list all places.</i>	<ul style="list-style-type: none"> • Production department • Office 	<ul style="list-style-type: none"> • Production department • Office
Water Volume Used <i>(m³)</i>	15,490	12,896
Water Discharged : <i>Please list all places.</i>	<ul style="list-style-type: none"> • Production department • Office 	<ul style="list-style-type: none"> • Production department • Office
Water Volume Discharged: <i>(m³)</i>	<ul style="list-style-type: none"> • Industrial waste water: 0 • Sewage waste water: 8,160 	<ul style="list-style-type: none"> • Industrial waste water: 0 • Sewage waste water: 7,690
Water Volume Recycled: <i>(m³)</i>	0	0
Total waste Produced <i>(please state units)</i>	8	10
Waste to Landfill: <i>(please state units)</i>	7	9
Total Product Produced <i>(please state units)</i>	10 containers per month	10 containers per month

10C: Business Practices – 4-Pillar Audit

To be completed for a 4-Pillar SMETA Audit

10C. Guidance for “Observations”

- 10C.1. Suppliers should have completed the appropriate section of the SAQ and have made it available to the auditor.
- 10C.2. The supplier should have received and acknowledged- preferably in writing – the Business Practices policy of the auditor/audit company.
- 10C.3. Suppliers shall seek to conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.4. Suppliers shall be aware of any applicable laws, their end client's Business Practices standards/code requirements and have a system in place to monitor their performance against these.
- 10C.5. Supplier should have a Business Practices policy concerning bribery, corruption, or unethical Business Practice. This should be clearly communicated to all relevant parties.
- 10C.6. Suppliers should have a designated person responsible for implementing standards concerning Business Practices
- 10C.7. Suppliers should have a transparent system in place for confidentially reporting, and dealing with unethical Business Practices without fear of reprisals towards the reporter
- 10C.8. 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.

Note for auditors and readers. This business practices section is intended to take not more than 0.25 auditor days. It is an assessment not an audit and the main requirement is to gather information on the relevant business practices issues in a supply chain. All findings will be recorded as observations not Non- Compliances and the data collected will allow the membership to define appropriate standards over time as part of a continuous review process.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:
Ethic documents and procedures

Description of current status:
The facility established the basic ethic standards, including the confidential, bribery, corruption and other information in the system.

Observation

1. Description of observation:

It was noted that the facility did not provide the SAQ for review.

Local law or ETI/Additional elements requirements:

In accordance with ETI Base Code section 10C.1. Suppliers should have completed the appropriate section of the SAQ and have made it available to the auditor.

Comments:

It is recommended that the facility should have completed the appropriate section of the SAQ and have made it available to the auditor.

Objective evidence observed:

Through the documentation review and management interview, it was noted that the facility did not provide the SAQ for review.

Time scale: 90 days	
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Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Worker Interview Summary

Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>Please specify number and size of groups. Please see BPG</i>	4 employees in 1 group	
D: Number of individual interviews <i>Please see BPG</i>	Male: 1	Female: 5
E: Number of interviewed workers <i>Please see BPG</i>	Male: 2	Female: 8
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	Nil	
I: What did the workers like the most about working at this site?	Nil	
J: Any additional comment(s) regarding interviews:	Nil	

Agency Workers (workers sourced from a local agent who are not directly paid by the site)	
A: Number of agencies used (average):	And names if available: N/A
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

Other findings

Other Findings Outside the Scope of the Code
None observed













Community Benefits (Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)
None

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.

		None
1 out of 1 safety exit of the sample room had no safety exit sign or emergency lighting.	1 out of 1 safety exit of the finished products warehouse had no emergency lighting or exit sign	N/A

		
Facility name	Facility gate	Production building
		
Dormitory building	Finished products warehouse	Cutting department
		
Printing department	Laminating	Packing department
		

Dormitory building	Kitchen	Canteen
		
Toilet	Fire sprinkler	Fire extinguisher

		
Fire hydrant	Fire alarm	Evacuation plan

		
PPE supply box	Safety exit sign and emergency lighting	First aid kit

		
First aider available in the production floor	Electrical wiring box	Drinking facility
		
MSDS for chemical in the workshop	Eye washing facility	Safety evacuation aisle
		N/A
Attendance recorder	Suggestion box	N/A

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

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

[Click here for A & AB members:](#)

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

[Click here for B members:](#)

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

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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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