




Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1035251	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1010244
Business name (Company name):	Tsann Horng Company Limited		
Site name:	Tsann Horng Company Limited		
Site address: <i>(Please include full address)</i>	No.61, Benzhou Rd.,Gangshan Dist., Kaohsiung City, Taiwan, R.O.C	Country:	Taiwan
Site contact and job title:	Ms. May Lan /Manager		
Site phone:	886-07-622 6033	Site e-mail:	th.mat@msa.hinet.net
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	06 March, 2019		

Audit Company Name & Logo:  Total Quality. Assured.	Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Tsann Horng Company Limited.
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor:

Team auditor:

Interviewers:

Report writer:

Report reviewer:

Audit Company Report Reference:

Date of declaration:

There are 8 direct workers in the factory

Hunter Lung

Hunter Lung

Nil

Hunter Lung

Hunter Lung

Johnson Lin

TWN-3746-03 (Intertek)

06 March, 2019

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

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

Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None observed
0B	Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None observed
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None observed
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None observed
3	Safety and Hygienic Conditions	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	3			<ul style="list-style-type: none"> Based on factory tour, It was noted that the light sources (1 out of 12) of emergency in the 2F production area was malfunctioned. Based on factory tour, It was noted that there is one (1 out of 23) fire extinguisher with lower pressure in production area. Based on management interview and document review, it was noted that the facility did not perform building structure public safety inspections in the past.

4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• None observed
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• None observed
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• None observed
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• None observed

General observations and summary of the site:

- The products manufactured at this site are Vinyl Floor Covering and Matting.
- Overall responsibility for meeting the standards is taken by the Ms. May Lan /Manager.
- There was a total of 10 employees on site, (There are 0 migrant workers and 10 local workers, all are permanent).
- The youngest employee on site was 18 years old.
- Site didn't use sub-contractor, all processes were completed in the facility.
- 8 workers were selected for interview including 4 male and 4 female employees. (There are 8 production workers in the facility only; so auditor just interviewed 8 workers.).
- There is no union at this factory.
- There is evidence of both male and female in management and among supervisor. The distribution was Male 0%, Female 100%.

- Payrolls for the period from March 2018 to February 2019 and attendance records for the period from March 2018 to February 2019 were provided for review. Randomly sampled 8 employees' payrolls and attendance records from February 2019 (current month), September 2018 (random month) and May 2018 (random month) for further checking on status of wages and working hours.
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week with at least 2 days off in a week.
- Based on the provided attendance records and payrolls, overtime working was paid correctly. Employees were paid at least 133%, 166% and 200% rate of standard wage for overtime hours in normal workdays and overtime hours in rest days respectively, and no overtime hours in public holidays observed.
- Legal minimum wage was paid to all workers, 100 % of workers were paid 23,100 NTD/month – legal minimum wage was NTD 23,100 per month.
- Based on the provided attendance records, the status of overtime hours in sample was as below.

0-0 hours/month in February 2019 (current month)

0-0 hours/month in September 2018 (random month)

0-0 hours/month in May 2018 (random month)

A total of 10 employees are currently working in the facility, which are 8 production employees and 2 non-production employees. The youngest employee is 18 years old. All of the employees (Injection department) work for 5 days a week in three shifts. (1) Working hour is from 08:00 to 16:00 with 30 minutes break from 12:00 to 12:30. (2) Working hour is from 16:00 to 00:00 with 30 minutes break from 20:00 to 20:30. (3) Working hour is from 00:00 to 08:00 with 30 minutes break from 04:00 to 04:30. Wages of employees are calculated on month-rate basis, Payment day is on monthly basis received in the 5th of each month. Currently, the lowest wage paid to a production staff is NTD\$ 23,100 per month and NTD\$ 150 per hour. There is no peak season.

Issues Found

NC's

1. Based on factory tour, It was noted that the light sources (1 out of 12) of emergency in the 2F production area was malfunctioned.
2. Based on factory tour, It was noted that there is one (1 out of 23) fire extinguisher with lower pressure in production area.
3. Based on management interview and document review, it was noted that the facility did not perform building structure public safety inspections in the past.

Observation

None observed

GE

None observed

Additional Auditor Remark:

None

**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:	Tsann Horng Company Limited													
B: Site name:	Tsann Horng Company Limited													
C: GPS location: (if available)	GPS Address: N/A	Latitude: N/A Longitude: N/A												
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#: 70522636 Facility Registration#: 99-663720-01													
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc.	Vinyl Floor Covering and Mattings													
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Tsann Horng Company Limited is located in Gangshan District, Kaohsiung City, Taiwan. The total land are occupied by the facility is about 825 square meters. They started their operation at the existing location since 2000. The main products manufactured by the facility are Vinyl Floor Covering and Mattings. All employees worked for 5 days a week.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building no1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>office, production area, packing area, warehouse, canteen, finished products and warehouse</td> <td></td> </tr> <tr> <td>Floor 2</td> <td>raw-material storage, production area</td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table>		Production Building no1	Description	Remark, if any	Floor 1	office, production area, packing area, warehouse, canteen, finished products and warehouse		Floor 2	raw-material storage, production area		Is this a shared building?	No	
Production Building no1	Description	Remark, if any												
Floor 1	office, production area, packing area, warehouse, canteen, finished products and warehouse													
Floor 2	raw-material storage, production area													
Is this a shared building?	No													

	<p>In view of the facilities, there is one (1) 2-storey building which is used as Production, office, packing, incoming inspection and finished goods storage, No dormitory and kitchen are available in the facility.</p> <p>Visible structural integrity issues (large cracks) observed?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Does the site have a structural engineer evaluation?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility did not conduct buildings public security inspection. But the building has legal permission license for using.</p>
G: Site function:	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>
H: Month(s) of peak season: (if applicable)	N/A
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main production processes are listed as follows: Injection molding, Inspection and Packing.</p> <p>The main products manufactured by the facility are Vinyl Floor Covering and Mattings. There are 1 packing lines in the facility, and the main equipment used is Injection molding machine (4), Extrusion Molding machine (1), Granule-making machine (1) and automatic packing machine (1).</p> <p>A total of 10 employees are currently working in the facility, which are 8 production employees and 2 non-production employees. The youngest employee is 18 years old. All of the employees (Injection department) work for 5 days a week in three shifts. (1)Working hour is from 08:00 to 16:00 with 30 minutes break from 12:00 to 12:30. (2)Working hour is from 16:00</p>

	to 00:00 with 30 minutes break from 20:00 to 20:30. (3) Working hour is from 00:00 to 08:00 with 30 minutes break from 04:00 to 04:30. Wages of employees are calculated on month-rate basis, Payment day is on monthly basis received in the 5th of each month. Currently, the lowest wage paid to a production staff is NTD\$ 23,100 per month and NTD\$ 150 per hour. There is no peak season.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
N: Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details The site didn't provided accommodation buildings for workers.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:30 Day 1 Time out: 17:00	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1 Auditors x 1 Day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 1 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. May Lan /Manager		
H: Is further information available (If yes please contact audit company for details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	14 December, 2017		
J: Previous audit type:	SMETA 2-pillar		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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>	Not applicable (There is no worker committee in the facility)
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	Not applicable (There is no union in the facility)

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	7	0	0	0	0	0	0	7
Worker numbers – female	3	0	0	0	0	0	0	3
Total	10	0	0	0	0	0	0	10
Number of Workers interviewed – male	4	0	0	8	0	0	0	4
Number of Workers interviewed – female	4	0	0	0	0	0	0	4
Total – interviewed sample size	8	0	0	8	0	0	0	8

A: Nationality of Management	Taiwan
B: Nationality of workers <i>Please add more rows as applicable</i>	Main countries: Nationality 1: <u>Taiwan</u>
C: For the majority nationality of workers:	Nationality 1 approx % total workforce ____ 100%__
D: Worker remuneration (management information)	<p>____% workers on piece rate</p> <p>____% hourly paid workers</p> <p>____ 100 ____% salaried workers</p> <p>Payment cycle:</p> <p>____% daily paid</p> <p>____% weekly paid</p> <p>____ 100 ____% monthly paid</p> <p>____% other</p> <p>If other, please give details</p>

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: (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)	N/A There are 8 production workers in the facility only; so auditor interviewed 8 workers individually.
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 4 Male: 4
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. Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment	<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?	No complaint was raised during the interview.
I: What did the workers like the most about working at this site?	Wages are always paid on time. The facility management was kind to them. The working environment was comfortable.
J: Any additional comment(s) regarding interviews:	Most employees enjoyed working at this facility, they felt they had sufficient wage and had a good relationship with management in general.
K: Attitude of workers to hours worked:	All workers were satisfied their work hours
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please give details: All employees can request personal information from the company.	

Such as Overtime Hours, Special Leave, Wages and Benefits paid record, etc.

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

8 employees were randomly selected for interview and all interviewed individually. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationship with their supervisors and managers who treated them with respect.

They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions adopted. They were able to complain directly to their supervisors and felt free to give their general concerns to their worker representatives who would take it to the management.

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

There is no workers committee/union in facility.

O: 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. All necessary documents were provided timely, locked areas encountered during the audit were unlocked timely and a private room was arranged for employees' interview. At the end of the audit, all the findings were accepted by the facility management. No negative information was raised by managers.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had a policy, endorsed at the highest level, covering human rights impacts and issues.
2. The facility had a designated person Ms. May Lan /Manager Responsible for implementing standards concerning Human rights.
3. The facility had identified their stakeholders and salient issues.
4. The facility measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. Where businesses have an adverse impact on human rights within any of their stakeholders, they address these issues and enable effective remediation.
6. The facility had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
7. The facility has assigned Ms. May Lan /Manager who takes responsibility for compliance with the human rights assessment.
8. Based from interviewed management and CoC reviewed, facility will not use any forced or involuntary labour, whether prison, bonded, indentured or otherwise.
9. Based from CoC reviewed and document reviewed, the human rights policy is shown on bulletin board.

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

Details:

1. Working rules was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.

2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. ETI Code
4. CoC of the facility
5. Management interview
6. Employee interview
7. Human right policy statement
8. Working rules

Any other comments:
none

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details (mainly applicable for the parent company): The facility representative complying with ETI Code and respect human rights. The human rights policy is shown on the bulletin board, and through human rights training course to communicate with workers let workers know about the policy.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. May Lan Job title: Manager
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All of human rights procedure documents are open, But the file about the employee's personal information is protected. (e.g., labour-management conference records, complaint letter by employees)
D: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has established grievance procedure in human rights policy and working rules. The facility provides Suggestion box and Hotline for all workers.
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

	Based on document review, All workers information data are save in computer. And only executive can operate the files.
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Findings		
Finding: Observation <input type="checkbox"/> Description of observation: None observed Local law or ETI/Additional elements / customer specific requirement: None observed Comments: Not applicable	Company NC <input type="checkbox"/>	Objective evidence observed: Not applicable

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: 2017 __1__ %	This year: 2018 __1__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: 2017 __1__ %	This year: 2018 __1__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	Last year: 2017 __1__ %	This year: 2018 __1__ %
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Accidents records were provided to review and it showed no accident happened in past 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year: 2017 Number: 0	This year: 2018 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	This year: 0	Last year: 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]	6 months __0__% workers	12 months __0__% workers
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months __0__% workers	12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months ____0____% workers	12 months ____0____% workers
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0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility implements and maintains systems for delivering compliance to this Code.
2. One senior manager is responsible for compliance with the Code (Ms. May Lan /Manager).
3. The facility had set up policy and pointed one staff to update labour law requirements.
4. Implementation of any necessary changes is then given to the individual department heads after agreement with the facility manager.
5. The facility has assigned Ms. May Lan /Manager who takes responsibility for compliance with the Code.
6. The facility posted ETI code and COC of the facility on the bulletin board to implement and maintain systems for delivering compliance to this code.

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

Details:

1. Working rule was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
2. ETI Code
3. CoC of the facility
4. Management interview
5. Employee interview
6. Human right policy
7. Working rules

Any other comments:

None

Management Systems:

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

☐ Yes

☒ No

Please give details:

<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy states that the facility will never employ and use any child labour under the age of 16 years old; male and female employees are on the same pay grade etc.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Based from interviewed management and working rules reviewed, facility will not use any forced or involuntary labour, child labour, discrimination, harassment, abuse or otherwise.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The relevant training was conducted for workers before they are joining the factory and facility shown a working rules and human rights policy to all worker reference on bulletin board.</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 Please give details: Based on training record review and employees interviewed, the relevant training was conducted for workers before them joining in the factory.</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 Please give details:</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 Please give details: There is one specific HR dept.</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 Please give details: Ms. May Lan /Manager responsibility for implementation of the Code.</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 Please give details: The facility protected the information of all workers according to the Personal Information Protection Act</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>

	All of the confidential information are save in computer. And only executive can operate the files.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During document review and management interview, auditor noted that the facility conducted H&S risk assessment once per year through external audit and provided the reports to review.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During document review and management interview, auditor noted that the facility conducted H&S risk assessment once per year through external audit and provided the reports to review.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has communicated this code to their suppliers through sign back. The latest record has signed on 09 November, 2017.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site has all required land rights, business license and facility registration. Business License#: 70522636 Facility Registration#: 99-663720-01
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 Please give details: The site appointed a person to update the law and conduct internal audit.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC:
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 checked="" type="checkbox"/> No Please give details:

R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No illegal appropriation of land for facility building or expansion of footprint

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory has a policy which prohibits forced labour and this was available for review.
2. There was a non-formalised application procedure which states that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. Based on interviewed employees, they are informed by management that they are free to leave jobs with a 10 to 30 days prior notice to the management per local law requirement.
4. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
5. The factory did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The factory did not use prison labour.
7. The above was confirmed in management and employee interview.
8. Through the Working rules review, stated that all workers could quit his/her job with legal notice without any penalty.
9. Through management interview (Ms. May Lan /Manager), She stated that all employees joined/worked in the facility voluntarily and no any force in the facility.
10. All selected employees confirmed that they worked at the facility voluntarily and no enforcement to work overtime.
11. Based on all interviewed, employees stated that their ID card and national health card just show to employer for registrations of labour and health insurance. The facility just keeps copied ID card and copied national health card; original ID card and copied national health card are kept by themselves.
12. Through the facility tour and interviewed employees, all selected employees said they could leave twice their shift ended. They are free to get access to the potable drinking water and the toilets. Besides, it was observed that no employees appeared to be under pressure.
13. Based on payroll records review and selected employees' interview, all deductions only including labour insurance and health insurance and they are mandated. All of them expressed that their wages are paid by the facility directly and without delay.

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

Details:

1. Personnel files (all were checked)
2. Resignation records of recent 3 months

3. Factory rules
4. Management and employee interview
5. Personnel files
6. Working Rules
7. Attendance records and payroll records. (From March 2018 to February 2019)

Any other comments:
None

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: Workers' are informed by management that they are free to leave jobs with a 10 to 30 days prior notice to the management per local law requirement.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there is a published 'modern day slavery statement.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: Based on Working Rules review and interviewed employees, All workers can free to leave the site at the end of the work day.
H: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: <input checked="" type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:

	The facility established ETI Code statement to their employees, and that they get the training related to ETI code once a year (Date: 16 April, 2018)
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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> 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

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

ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

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

Current systems:

1. Through document review, the facility holds labour-management conference on three (3) months basis according to local law requirement. The last conference was held on 17 December, 2018.
2. Through Management interview (Ms. May Lan /Manager) the facility respected the legal rights of workers for freedom of association. The management does communicate to workers of their rights related to freedom of association when they are hired.
3. Through management and employees interview, there is no union or employees' committee in the facility.

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

Details:

1. Social compliance system program and procedure
2. Suggestion box complain feedback
3. Meeting minutes
4. Employee interview and management interview
5. Working Rule and employment contracts were reviewed. They both stated that employees are free to form trade unions. Nobody will be treated differently whether they are members of the union.
6. Personnel files
7. Labour-management conference records

Any other comments:

None

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

- ☐ Union (name)
☐ Worker Committee
☐ Other (specify)
☒ None

B: Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input 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 Describe: By local law, A business entity shall convene a labour-management meeting in accordance with the Regulations, and the labour-management meeting shall be convened at least once every 3 months. Workers can free to elect labour representatives to attend labour meetings. Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The last labour-management meeting was on 17 December, 2018.	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: staff activity room	
F: Name of union and union representative, if applicable:	Not applicable. No union existed in facility.	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-management meeting	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	Ms, Wu , Mr, Lan
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 29 June 2015
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Human rights issues
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many:	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Through interviewing the employees, they had a meeting with management in 17 December, 2018. The meeting lasting 30 minutes, discussion about human rights issues, such as wage, working hours etc.	

M: 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	____% workers covered by Union CBA Not applicable, no Collective Bargaining Agreement	____% workers covered by Union CBA Not applicable, no Collective Bargaining Agreement
If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, no Collective Bargaining Agreement	

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility has 1 employee obtained first aid certificate, Ms, Lan, Yu Fei is qualified first aid personnel (Date: 08 March, 2018) in the facility which is complied with local law requirement. There are 1 set of first aid kits installed in each production area.
2. Based on facility tour and document review, all of the 23 fire extinguishers are accessible and are free of obstructions. The facility checks the pressure once per month and maintains these logs. (Date: February, 2019).
3. Based on facility tour and document review, each exit is marked with exit indicators and Emergency lights and evacuation indicators are installed in the whole production areas. Random selected two (2) sets of Emergency lights for test during audit process and found them are working functional.
4. Based on the facility tour, all aisles and exits are kept clear and free from obstruction at all times.
5. Based on selected interviewed employees, all employees stated that the temperature of the working area is suitable and they feel comfortable because the facility is ventilated well.
6. The facility provides clean toilets to employees and separates them by gender. (There are 3 toilets for male and 3 for female; local law required: At least 1 toilet for 25 male employees; At least 1 toilet for 15 female employees)
7. The facility uses chemicals in production areas. There is related SDS on site for reference to all employees.
8. Based on facility tour and interviewed management, the facility provided PPE to all employees to avoid occupational injury. PPE including mask, earplug and gloves.
9. Provided potable and drinking water for employees. Based on facility tour and interviewed employees, all selected employees indicated that they were free enough to get access to the potable drinking water without limitation.
10. The facility did not provide kitchen or dormitory for employees.

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

Details:

2. First aid personnel certifications (Date: 08 March, 2018)
3. Health and safety training records (Date: 10 December, 2018)
4. Safety and Health Working Rules (Date: 20 September, 2007)
5. Fire drill records (Date: 08 October, 2018)
6. Monthly reports on the statistics of occupational accidents (Update to February 2019)
7. Machines maintenance records (Date: 21 January, 2019)
8. Fire extinguisher checking log (Date: 14 January, 2019)
9. SDS on site

Any other comments:
None

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees receive regular and recorded health & safety training such as fire drill
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies included in worker's manual
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility provided mask, earplug and gloves if necessary.
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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not required by law
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has 1 employees obtained first aid certificate Ms, Lan, Yu Fei (08 March, 2018) #10731050300

G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable, no transport provided by facility
H: Is secure personal storage space provided for workers in their living space and is it fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on employees interviewed, Their personal stuff are kept in the personal locker.
I: Are H&S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility is conduct H&S risk assessment once a year, including carry out the risk assessments about machinery, equipment, tools, raw materials, and materials.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility use and disposal of natural resources (e.g. water, waste) are all through legal units.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All chemicals used in the factory are approved by local regulations.

Non-compliance:

1. Description of non-compliance:

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

Based on factory tour, It was noted that the light sources (1 out of 12) of emergency in the 2F production area was malfunctioned.

Local law and/or ETI requirement

Local law: In accordance with the Standard for Installation of Fire Safety Equipments Based on Use and Occupancy, Article 177: Emergency lighting equipments shall be connected to emergency power source. Battery shall be used for the above-mentioned emergency power source, and the capacity of battery shall enable the equipment to work for at least 30minutes. Where both the battery and emergency generator have been employed, the capacity shall enable the equipment for work for at least 10 minutes and 30 minutes respectively.

ETI requirement: 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

Objective evidence observed:

(where relevant please add photo numbers)

Facility tour

health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that the facility should have those emergency light repaired soon.

Action By: Ms. May Lan /Manager

Recommended completion timescale: 60 days

Verification method: Desktop

Non-compliance:

2. Description of non-compliance:

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

Based on factory tour, It was noted that there is one (1 out of 23) fire extinguisher with lower pressure in production area.

Local law and/or ETI requirement

Local law: In accordance with the Standard for Installation of Fire Safety Equipments Based on Use and Occupancy: Volume 3, Chapter 1, Article 31: Fire extinguisher shall meet the following requirements: 1. In places High risk workplaces or Moderate risk workplaces or Low risk workplaces, there shall be a unit fire extinguishing efficiency for every 200 square meters of the floor area (including the last proportion less than 200 square meters) on each floor.

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

Recommended corrective action:

It is recommended that the facility should replace the new fire extinguisher in the production area.

Action By: Ms. May Lan /Manager

Recommended completion timescale: 30 days

Verification method: Desktop

Objective evidence observed:

(where relevant please add photo numbers)

Facility tour

Non-compliance:

3. Description of non-compliance:

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

Based on management interview and document review, it was noted that the facility did not perform building structure public safety inspections in the past.

Local law and/or ETI requirement

Local law: In accordance with the Building Structure Public Safety Inspection Ratification and Registration Act, Article 4, Supplement 1, Category C. For ordinary facility, workplace and warehouse of which is for storing or manufacturing ordinary items, building structure public safety inspection shall be performed once per two years for area over 1,000 square meters and once per four years for area between 200 to 1,000 square meters.

Recommended corrective action:

It is recommended that the facility should perform building structure public safety inspections and registration.

Action By: Ms. May Lan /Manager

Recommended completion timescale: 90 days

Verification method: Desktop

Objective evidence observed:

(where relevant please add photo numbers)

Management interview and
Document review

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

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: None observed

4: Child Labour Shall Not Be Used

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

ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current systems:

1. Through the personnel files review, confirmed the youngest employee is 18 years old.
2. During the site observation, there is no worker under 16 years old on site.
3. Through management interview (Ms. May Lan /Manager) stated that all workers working at the facility are above the minimum legal age of 16 years old. She stated that the youngest worker is 18 years old.
4. The physical appearance of the employees is consistent with their ages and employment history as documented in their personnel files. The copied ID card contained in their personal files regarding their ages and employment history is consistent with the interview.

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

Details:

1. Personnel files
2. Management interview
3. Employee interview
4. Working Rules
5. Labour Standard Law of Taiwan

Any other comments:
none

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	18 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

[\[Go to clause 3 – Health and Safety\]](#)

If yes, please give details

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI
 ☐ NC against Local Law
 ☐ NC against customer code:
 None observed

Local law and/or ETI requirement:

None observed

Recommended corrective action:

None observed

Objective evidence observed:

(where relevant please add photo numbers)
 None observed

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

5: Living Wages are Paid

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

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. Based on payroll records review; found lowest wage is NTD 23,100 per month. Legal minimum wage is NTD 23,100 per month or NTD 150 per hour; wages of employees are meet legal minimum wage requirement. There is no disciplinary or unreasonable deduction.
3. Through employees interview, employees stated that the pay stubs and wages are received on the 11th day of each month with no any delay.
4. The facility paid premium rate for overtime rendered as follows:
 - a) 133% for first two overtime hours and 166% for overtime hours after two hours on regular days.
 - b) 200% on Saturday, Sundays and national holidays.

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

Details:

1. Employee interview
2. Management interview
3. Twelve months of attendance records were reviewed (From March 2018 to February 2019)
4. Twelve months of payroll were reviewed (From March 2018 to February 2019)

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:
 None observed

Objective evidence observed:

(where relevant please add photo numbers)

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

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

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day and 80 hours every two weeks	8 hours per day and 80 hours every two weeks	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: Not exceed 4 hours per day and 46 hours per month	0-0 hours/month in February 2019 (current month) 0-0 hours/month in September 2018 (random month) 0-0 hours/month in May 2018	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		(random month)	
C: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Monthly wage: NTD 23,100 per month or NTD 150 per hour since 1st January 2019.	Minimum: Monthly wage: NTD 23,100 per month.	
D: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 133% for first two overtime hours and 166% for overtime hours after two hours on regular days. 200% on Saturday, Sundays and national holidays	Minimum: 133% for first two overtime hours and 166% for overtime hours after two hours on regular days. 200% on Saturday, Sundays and national holidays	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If No , why not?	None	
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	8 samples from January 2019. (Current month) 8 samples from September 2018. (The second month) 8 samples from May 2018 (The third months)	
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes , please give details:
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	If No , 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	Lowest actual wages found: Note: full time employees and please state hour / week / month etc. Lowest paid: NTD 23,100 / month (overtime paid: NTD 0 , benefit paid : NTD 0)

		Highest paid: NTD 30,700 / month (overtime paid: NTD 0 , benefit paid : NTD 5,900)	
F: Please indicate the breakdown of workforce per earnings:		____% of workforce earning under min wage __100__% of workforce earning min wage ____% of workforce earning above min wage	
F: Bonus scheme found: Please specify details:	Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i> Job allowance / month Attendance allowance / month		
H: What deductions are required by law e.g. social insurance? Please state all types:	Labor insurance and Health insurance.		
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please list all deductions that have been made.	1. Labor insurance 2. Health insurance Please describe:
		Please list all deductions that have not been made.	1. N/A 2. N/A Please describe: N/A
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The auditor can be verified and through cross check with access to related documents/records, physical facility tour and employee interviews, no inconsistency found.		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:		
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions		

	<input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A
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 Details: The factory will adjust the salary according to the legal minimum monthly wage regulations.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Based on working rules, labour-management conference records, and payroll records reviewed and employee's interviewed, it was confirmed that equal rates are being paid for equal work.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain: All workers are receive a monthly wage slips. Cash pay for foreign workers.

6: Working Hours are not Excessive

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

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

ETI

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

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

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

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

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

Current systems:

1. All interviewed employees said that they had the rights to refuse overtime. Employees were given an equal opportunity to work overtime. The employees were compensated for overtime work.
2. Through the facility tour, the facility utilizes electronic time recording system of attendance records regularly, which is reliable and fair to count the working hours.
3. Employees are provided with pay slips that clearly indicate overtime hours and overtime compensation.
4. Through reviewing of the provided attendance records and employees interviewed, working hour statistics were the following:
 - a) For February 2019 (Current month), the average number of hours worked in a week for the 8 samples was 40 hours. The maximum working hours a week was 40 hours (Normal and OT) - (8 out of 8 samples). The maximum weekly working days is 5 days (8 out of 8 samples).
 - b) For September 2018 (Second month), the average number of hours worked a week for the 8 samples was 40 hours. The maximum working hours a week was 40 hours (Normal and OT) - (8 out of 8 samples). The maximum weekly working days is 5 days (8 out of 8 samples).

c) For May 2018 (Third month), the average number of hours worked in a week for the 8 samples was 40 hours. The maximum working hours a week was 40 hours (Normal and OT) - (8 out of 8 samples). The maximum weekly working days is 5 days (8 out of 8 samples).

5. The facility has attendance card in system for both their employees and agency which records the time in and out. Payroll department use to calculated employee wages.

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

Details:

1. Employment contract
2. Management interview
3. Employees interview
4. Three months of attendance records were reviewed (May 2018, September 2018 and February 2019)
5. Three months of payroll ledgers were reviewed (May 2018, September 2018 and February 2019)

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

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

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

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

Systems & Processes

A. What timekeeping systems are used: time card etc.

Describe:

The facility utilizes attendance card records system of attendance records regularly.

B: Is sample size same as in wages section?

☒ Yes

☐ No

If N, please give details

C: Are standard/contracted working hours defined in **all** contracts/employment agreements?

☒ Yes

☐ No

If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Details

D: Are there any other types of contracts/employment agreements used?

☐ Yes

☒ No

If YES, please complete as appropriate:

☐ 0 hrs

☐ 0 hrs

If "Other", Please define:

NA

E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?

☐ Yes

☒ No

If yes, 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,

Please select all applicable:

☒ 1 in 7 days

☐ 2 in 14 days

☐ No

Is this allowed by local law?

☒ Yes

☐ No

or 2 in 14-day-period?	If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
	Based on attendance record review, all workers were rested on Saturday and Sunday per week. Maximum 5 consecutive working days in facility	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency
		NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	0 hours/ day in February 2019 (current month) 0 hours/ day in September 2018 (random month) 0 hours/ day in May 2018 (random month) 0 hours/week in February 2019 (current month) 0 hours/ week in September 2018 (random month) 0 hours/ week in May 2018 (random month) 0 hours/month in February 2019 (current month) 0 hours/month in September 2018 (random month) 0 hours/month in May 2018 (random 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:	0%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:

		Based on employees interviewed and contract reviewed, All workers stated that they could refuse the overtime work freely without any penalty
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>Please give details of normal day overtime premium as a % of standard wages:</p> <p>133% for first two overtime hours and 166% for overtime hours after two hours on regular days. 200% on Saturday, Sundays and national holidays</p>
N: Is overtime paid at a premium?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>If yes, please describe % of workers & frequency:</p> <p>0 % (February 2019) 0 % (September 2018) 0 % (May 2018)</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.	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	
	Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	The facility will pay the workers overtime paid according to the regulations.	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<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	
	Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe	

<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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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:

1. Through reviewing the working rules, employment records, contracts, recruitment policy, payroll records and attendance, no evidence of discrimination was observed in the facility.
2. All selected employees also emphasized that they were treated by their employer, supervisors and co-workers with respect and dignity
3. Ms. May Lan /Manager confirmed that the facility have a policy to prohibit discrimination in salary and the salaries are depend on the work condition, employee's seniority, experience, position and skill.
4. All selected employees confirmed that if there was any discrimination situation happening to them inside the facility, they could report to their representatives.

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

Details:

1. Working Rules
2. Employees interview
3. Twelve months of attendance records were reviewed (From March 2018 to February 2019)
4. Twelve months of payroll ledgers were reviewed (From March 2018 to February 2019)

Any other comments:

None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: __0__ % Female __100__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 1 first aid certificate Ms, Lan, Yu Fei (08 March, 2018) #10731050300
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

	NA, none observed
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Professional Development	
A: What type of training and development are available for workers?	<p>Grade manager of labour safety and health license certification</p> <p>First aid certificate</p> <p>Fire-Prevention personnel certification</p>

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please give details:</p>
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Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p>Local law and/or ETI requirement</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>(where relevant please add photo numbers)</p> <p>Not applicable</p>

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

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

8: Regular Employment Is Provided

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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:

1. The facility requests all employees in the facility the need to join in health and labour insurances as per legal law requirement. And the deduction of health and labour insurances is clearly listed in pay records and no mistake was noted.
2. Through employment contract review, all employees in the facility are permanent and no forced deposit condition or other involuntary condition was observed. There is no contractor, sub-contractor, home-worker and apprenticeship in the facility.
3. Through management interview (Ms. May Lan /Manager) stated that obligations on employment contract are according to Taiwan Labour Standards Law.
4. All content of contracts are discussed to all new recruits before they sign the contract.
Based on employees interviewed, all workers said they don't pay any no recruitment fee at any stage of the recruitment process.

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

Details:

1. Management interview
2. Employment contract
3. Management interview
4. Payroll records (From March 2018 to February 2019)

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:
None observed

Local law and/or ETI requirement

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

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

Responsible Recruitment

All Workers

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

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

	If any are unchecked, please describe finding and specific category(ies) of workers affected:
B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – please give details
D: If any checked, give details:	N/A

Migrant Workers:		
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	There is no migrant worker in the facility.	
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: N/A Total number of (outside of local country) recruitment agencies used: N/A	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: N/A	Observations
D: Are any migrant workers in skilled, technical, or management roles	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	If yes number and example of roles: N/A
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
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 – please give details N/A
C: If any checked, give details:	N/A

Agency Workers (if applicable)	
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	Names if available: N/A (The Facility don't use agency)
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 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 Please give details:

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

8A: Sub-Contracting and Homeworking:

8A: Sub-Contracting and Homeworking

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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:

1. Based from facility tour, production records and inspection records review, there is no sub-contracting in the facility.
2. Based from interviewed with Ms. May Lan /Manager and 8 employees, it is confirmed that no subcontractor and home-worker are used in the facility.

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

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		

- 1) Site tour (Calculation on total production and estimated capacity)
- 2) Materials in/out records
- 3) Management interview
- 4) Worker interview

Details: Nil

Non-compliance:

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

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

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

Summary of homeworking – if applicable			
<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 If Yes , summarise details: N/A		
B: Number of homeworkers	Male: 0	Female: 0	Total: 0
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A	If through agents, number of agents: N/A	
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?	N/A		
F: What processes are carried out by homeworkers?	N/A		
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A		

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give Details: There has suggestion box in facility for all employees used, and also has email address, phone Hotline, for reporting grievances.
B: If Yes , are workers aware of these channels and have access? Please give details.	Base on employees interviewed, all workers are aware of these channels and how to use it effectively.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, Hotline and email of Ministry of Labour
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other Please give details: There has suggestion box in facility for all employees used, and also has email address, phone Hotline, for reporting grievances.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details
F: Does the site encourage its business partners (e.g., suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain

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

Current Systems and Evidence Examined

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. Ms. May Lan /Manager stated that they encourage any employee who feels subjected to harassment or abuse to report instances of harassment or abuse. And once such case happened, the facility management would resolve it timely.
2. Based on all interviewed employees stated that they can voice out their complaint to management directly if there was any harassment or abuse. Ms. May Lan /Manager stated that the complaint of any employee is confidential.
3. Based on 8 out of 8 interviewed employees, physically abusive, threatening, exploitative or any other uncomfortable behaviour are never happened before when employees against the rule in the facility.
4. Based on facility has established Work Rules and CoC review and interviewed management, the facility will treat each employee with dignity and respect, and will not use corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse.

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

Details:

1. Working Rules
2. Employees interview
3. Management interview

Any other comments:

None

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

1. Based from personnel files review, all personnel files include photo of employees, copied ID card, copied national health insurance card and copied diploma for verification of employees' age.
2. Reviewed employment contract, and found all contracts are signed by employees and employer.
3. The legal and reasonable contract was issued by facility in native language with employee's signature.
4. Based from interviewed management, the facility hired foreign employees through a legal agency.
5. Based from one selected foreign employees' interview, they stated that they work here voluntary without any force.

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

Details:

1. Personnel files
2. Employment contract
3. Management interview
4. Employee interview

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:
None observed

Local law and/or ETI requirement

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

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 10B2: Environment 2-Pillar

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

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

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

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems:

1. Based from the facility tour observation, no evidence of environment issues non-compliance. Through chemical storage records review, no outlawed chemicals are used.
2. The facility is sorting wastes to paper, bottles/cans, plastic, metals and living wastes. Paper, bottles/cans, plastic and metals are recycled.
3. The latest training records (10 December, 2018) are provided for review during audit.
4. The responsible person, Ms. May Lan /Manager to taking care of the environmental Activity , regulations and customer requirements

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

Details:

1. MSDS of each chemicals
2. Training records
3. Environmental policy
4. Employee interview

Any other comments:

None

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

Other Findings Outside the Scope of the Code

None, There was No Other Findings Outside the Scope of the Code

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, There was No Community benefits

Appendix 1

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

☒ Not Applicable please x

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

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

ETI Code / Additional Elements

Customer's Supplier Code equivalent

0.A. Universal Rights covering UNGP

0.A. Universal Rights covering UNGP

0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
0.A.3 Businesses shall identify their stakeholders and salient issues.
0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

0.B. Management Systems & Code Implementation

0.B. Management Systems & Code Implementation

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

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

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary 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>	
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

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

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

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements</p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p>B4. Guidance for Observations</p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

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.










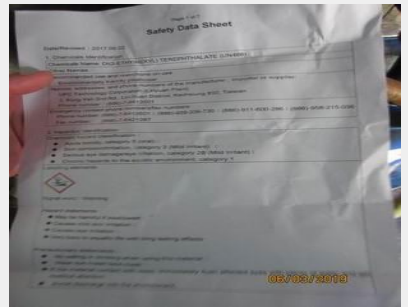


10C. Guidance for Observations

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

		
Building of the facility	Facility name	Attendance system
		
Exit indicator	Evacuative map	Handrail
		
Manual fire alarm	Drinking fountain	Fire extinguisher
		
Smoke detection	Fire detector central control	Aisles

		
PPE	Emergency direction light	The inner cover of electrical box
		
Emergency light	Toilet	Washing facilities
		
First aid kit	Employee suggestion box	Emergency exit
		
MSDS on site	Emergency stop button	Warehouse

		
Production area	Canteen	Raw material storage area

		--
NC: There is one (1 out of 23) fire extinguisher with lower pressure in production area.	N.C: There is one light sources (1 out of 12) of emergency in the 2F production area was malfunctioned.	--

DISCLAIMER:

"This report is for the exclusive use of the client of Intertek named in this report ("Client") and is provided pursuant to an agreement for services between Intertek and Client ("Client Agreement"). This report provides a summary of the findings and other applicable information found/gathered during the audit conducted at the specified facilities on the specified date only. Therefore, this report does not cover, and Intertek accepts no responsibility for, other locations that may be used in the supply chain of the relevant product or service. Further, as the audit process used by Intertek is a sampling exercise only, Intertek accepts no responsibility for any non-compliant issues that may be revealed relating to the operations of the identified facility at any other date. Intertek's responsibility and liability are also limited in accordance to the terms and conditions of the Client Agreement. Intertek assumes no liability to any party, for any loss, expense or damage occasioned by the use of this information other than to the Client and in accordance with the Client Agreement and these disclaimers. The disclaimer should be read in conjunction with the Terms and Conditions of Intertek."



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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:

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

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

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

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

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

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




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details

Sedex Company Reference: (only available on Sedex System)	ZC: 1035251	Sedex Site Reference: (only available on Sedex System)	ZS: 1010244
Business name (Company name):	Tsann Horng Company Limited		
Site name:	Tsann Horng Company Limited		
Site address: (Please include full address)	No.61, Benzhou Rd.,Gangshan Dist., Kaohsiung City, Taiwan, R.O.C	Country:	Taiwan
Site contact and job title:	Ms. May Lan /Manager		
Site phone:	886-07-622 6033	Site e-mail:	th.mat@msa.hinet.net
SMETA Audit Type Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	06 March, 2019		
Audit Company Name & Logo: 		Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Tsann Horng Company Limited.	

Audit Conducted By

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

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor:

Team auditor:

Interviewers:

Report writer:

Report reviewer:

Audit Company Report Reference:

Date of declaration:

There are 8 direct workers in the factory

Hunter Lung

Hunter Lung

Nil

Hunter Lung

Hunter Lung

Johnson Lin

TWN-3746-03 (Intertek)

06 March, 2019

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

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

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:30 Day 1 Time out: 17:00	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1 Auditors x 1 Day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 1 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. May Lan /Manager		
H: Is further information available (if yes, please contact audit company for details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	14 December, 2017		
J: Previous audit type:	SMETA 2-pillar		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Not applicable (There is no worker committee in the facility)		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	Not applicable (There is no union in the facility)		

Guidance:

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

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

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

Root cause (see column 4)

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

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

Next Steps:

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

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
1. Working Conditions are Safe and Hygienic No. 3	New	<u>Description of non-compliance:</u> Based on factory tour, It was noted that the light sources (1 out of 12) of emergency in the 2F production area was malfunctioned. 貴工廠 2F 作業區域一組緊急照明燈設備故障。 <u>Objective evidence observed:</u> Facility tour	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should have those emergency light repaired soon. 請貴工廠立即修復該設備。	60 days	Desktop	Yes, Ms. May Lan /Manager	(Desktop Review on 03 April, 2019) Based on evidence photos, the facility has repaired light sources of emergency in 2F production area.	Close on 03 April, 2019 by Desktop Review
2. Working Conditions are Safe and Hygienic No. 3	New	<u>Description of non-compliance:</u> Based on factory tour, It was noted that there is one (1 out of 23) fire extinguisher with lower pressure in production area. 於貴工廠 1F 作業區發現一支滅火器壓力不足。 <u>Objective evidence</u>	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should replace the new fire extinguisher in the production area. 請貴工廠立即將 1F 作業區失效滅火器更新。	30 days	Desktop	Yes, Ms. May Lan /Manager	(Desktop Review on 03 April, 2019) Based on evidence photos, the facility has replace the new fire extinguisher in the production area.	Close on 03 April, 2019 by Desktop Review

		<u>observed:</u> Facility tour							
3. Working Conditions are Safe and Hygienic No. 3	New	<u>Description of non-compliance:</u> Based on management interview and document review, it was noted that the facility did not perform building structure public safety inspections in the past. 貴工廠尚未執行建築物公共安全檢查。 <u>Objective evidence observed:</u> Document review	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should perform building structure public safety inspections and registration. 請貴工廠應儘速完成建築物公共安全檢查申報。	90 days	Desktop	Yes, Ms. May Lan /Manager	(Desktop Review on 03 June, 2019) Based on evidence photos, the facility has perform building structure public safety inspections and registration in 20 May, 2019.	Close on 03 June, 2019 by Desktop Review

Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>

Good examples

Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:		Title Date
B: Auditor Signature:		Title Date
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances:		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
F: Any other site Comments:		

Guidance on Root Cause

Explanation of the Root Cause Column

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

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

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

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

Some examples of finding a "root cause"

Example 1

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

Example 2

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

Example 3

A site uses fines to control unacceptable behaviour of workers.

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

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

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

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

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

Disclaimer:

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non-compliance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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