

Sedex Members Ethical Trade Audit (SMETA) Report

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

Supplier name:	TSANN HORNG COMPANY LIMITED	
Site country:	Taiwan	
Site name:	TSANN HORNG COMPANY LIMITED	
Parent Company name (of the site):	TSANN HORNG COMPANY LIMITED	
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar
Date of Audit	10-August-2016	

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers, and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics

The new ETI Working Hours Clause

- Now integrated into this latest SMETA version.

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



Intertek

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

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

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

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

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

Auditor Name(s) (please list all including all interviewers): Leo Lee/Steak Wang

Lead auditor: Leo Lee

Team auditor: Steak Wang

Interviewers: Steak Wang

Date: 17 August, 2016

Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)			Record the number of issues by line*:		
	ETI Base Code	Local Law	Additional Elements (i.e. not part of ETI code)	NC	Obs	GE
0 Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
1 Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>				
2 Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>				
3 Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		2		
4 Child Labour	<input type="checkbox"/>	<input type="checkbox"/>				
5 Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>				
6 Working Hours	<input type="checkbox"/>	<input type="checkbox"/>				
7 Discrimination	<input type="checkbox"/>	<input type="checkbox"/>				
8 Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>				
8A Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>			
9 Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>				
10A Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>			
10B2 Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>			
10B4 Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>			
10C Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>			

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

Summary of Findings

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

Site Summary

1. The products manufactured at this site are plastic mats.
2. Overall responsibility for meeting the standards is taken by the Mr. Samuel Young / General Manager.
3. There are a total of 5 workers on site (4 Local workers and 1 Philippines worker all are permanent).
4. The youngest worker on site was 25 years old.
5. There is no union at this facility.
6. There is evidence of both male and female in management and among supervisor. The distribution was Male 50%, Female 50%.
7. 5 workers were selected for interview including 3 male and 2 female employees.
8. All workers said they were satisfied with their employment at the facility.
9. They also said they were able to make suggestions to their supervisors and team leaders and sometimes, they had seen these suggestions used.
10. 8 Records to show wages and hours were taken for 3 months from the period August 2015 to July 2016.
11. Standard hours on site were on average 160 hours/month with 2 day off in every 7-day-period.
12. 100% of workforce earning above legal minimum wage (23000-32000) – legal minimum wage was NTD 20,008 per month.
13. Overtime hours in sample was
 - 1.0–0 hours/month in July 2016
 - 2.0–0 hours/month in January 2016
 - 3.0–0 hours/month in August 2015

NC's:

1. Base on document review, it was noted that there was no one in the facility has been trained by Grade C Manager of Occupational Safety and Health Affairs Educational Training.
2. Base on document review, it was noted that facility does not carry out drinking water equipment test report.

Audit Details

Audit Details			
A: Report #:	TWN-3746-02		
B: Time in and time out (SMETA Best Practice Guidance and Measurement Criteria recommends 9.00–17.00 hrs. if any different please state why in the SMETA declaration)	Day 1 Time in: 0930 Day 1 Time out:1700	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
C: Number of Auditor Days Used: (number of auditor x number of days)	2 auditors x 1 day		
D: 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		
E: Was the audit announced? (AAG recommends a window of three weeks for semi-announced, this gives optimum results)	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If No , why not? (Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)	NA		
G: 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		
H: Auditor name(s) and role(s):	Leo Lee(Lead Auditor) / Steak Wang(Auditor)		
I: Report written by:	Leo Lee		
J: Report reviewed by:	Johnson Lin		
K: Report issue date:	17 August ,2016		
L: Supplier name:	TSANN HORNG COMPANY LIMITED		
M: Site name:	TSANN HORNG COMPANY LIMITED		
N: Site country:	Taiwan		

O: Site contact and job title:	May Lan / Manager			
P: Site address: (Please include full address)	NO. 61, Pen Chou Rd, Kangshan District, Kaohsiung City, Taiwan			
Site phone:	886-7-6226033			
Site fax:	886-7-6228923			
Site e-mail:	Th.mat@msa.hinet.net			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Business License#: 70522636 Facility Registration#: 99-663720-01			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Plastic mats			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	May Lan / Manager			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	May Lan / Manager			
W: 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			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	NA			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Audit Scope/Actual Results

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week and month)	Legal maximum: 8 hours per day and 84 hours every two weeks	8 hours per day and 80 hours every two weeks	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Legal Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week and month)	Legal maximum: Not exceed 4 hours per day and 46 hours per month	Based on attendance record review, No overtime record was found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Legal age of employment: (Minimum legal and actual minimum age at site)	Legal minimum: 15 years old	25 years old	
D: Legal minimum wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week and month)	Legal minimum: Monthly wage: NTD 20,008 per month or NTD 120 per hour since 1st July 2015	NTD 20,008 per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: Legal minimum overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week and month)	Legal minimum: 133% for first two overtime hours and 166% for overtime hours after two hours on regular days. 200% on Saturday, Sundays and national holidays	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

Audit Scope (Please select the code and additional requirements that were audited against during this audit)	
2-Pillar Audit	<input type="checkbox"/>
10B4: Environment 4-Pillar	<input checked="" type="checkbox"/>
10C: Business Ethics	<input checked="" type="checkbox"/>
All groups of workers are included in the scope of this audit such as; Direct employees, Casual	<input type="checkbox"/>

and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.

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

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

Audit Overview

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

<p>F: Site description: (Include size, location and age of site. Also include structure and number of buildings)</p>	<p>Tsann Horng Company Limited is located at Kaohsiung city of Taiwan. Total land area occupied by the facility is about 874 square meters. They started their operation since July of 2000.</p> <table border="1" data-bbox="644 517 1492 862"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Office and Warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Production and packing line</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Semi-finished products storage area</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table> <p>Main products of facility are design and manufacture is Plastic mat. The facility consists of one 3-storey building, which is used as the Office, Production and Warehouse. No building is used as dormitory and Canteen.</p> <p>For below, please add any extra rows if appropriate.</p>	Production Building no	Description	Remark, if any	Floor 1	Office and Warehouse	Nil	Floor 2	Production and packing line	Nil	Floor 3	Semi-finished products storage area	Nil	Is this a shared building?	No	Nil
Production Building no	Description	Remark, if any														
Floor 1	Office and Warehouse	Nil														
Floor 2	Production and packing line	Nil														
Floor 3	Semi-finished products storage area	Nil														
Is this a shared building?	No	Nil														
<p>G: Site function:</p>	<p> <input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor </p>															
<p>H: Month(s) of peak season: (if applicable)</p>	<p>There is no significant peak production month.</p>															
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>																
<p>A total of 8 employees are currently working in the facility. This includes 3 non-production employees and 5 production employees on site; The youngest employee is 25 years old in the facility. All employees work 5 days every week. 1 shift in the facility, The normal working hour is from 8:00am to 4:30pm with 0.5 hour lunch break, Wages of employees are calculated on monthly basis. Payment day is on monthly basis received in the 5th of each month.</p> <p>Based from management interview, there is no significant peak season in the facility. The main production processes are listed as follows: Injection, Pressing and Packing.</p> <p>There is 3 production line in the facility, and the main equipment used are Press machine and Injection machine</p>																

J: Attitude of workers:

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

All interviewed employees were open, candid and friendly during the interview process. They showed up a positive attitude towards management and the workplace. Based from the interviews, they are acceptable of this facility including working conditions, wages and benefits.

K: Attitude of workers committee/union reps:

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

There is no workers committee/union in facility

L: Attitude of managers:

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

The facility management showed a positive attitude to this audit during the whole process. All documentation requested for the review was provided timely. Locked areas encountered during the audit were unlocked timely. At the end of the audit, the management was receptive to the finding.

Key Information

Key Information (click on the key information title to go to appropriate section of the report)		
A: Do all workers (including migrant workers) have contracts of employment/employment agreements? (Go to clause 8 – Regular Employment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Are maximum standard/contracted working hours clearly defined in contract/employment agreements? (Go to clause 8 – Regular Employment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Were appropriate records available to verify hours of work and wages? (Go to clause 5 – Living Wage)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Were any inconsistencies found? (if yes describe nature) (Go to Wages Table)	<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	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? (Go to clause 5 – Living Wage)	Wages found: <input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	Please indicate the breakdown of workforce according to earnings: ____ % of workforce earning under min wage ____ % of workforce earning min wage 100 % of workforce earning above min wage
F: % of piece rate workers: (if applicable)	Not applicable. No piece rate employee in the facility.	
G: Do the standard/contracted hours stated in a contract/employment agreement exceed the law or 48 hours per week? (Go to clause 6 – Working hours)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
H: If yes, what are the standard/contracted hours per week as stated in the contract/employment agreement? (Go to clause 6 – Working hours)	40 hrs/week	Approx. 100% of ALL workers on these contacted hours
I: Combined hours (standard/contracted plus overtime = total hours) over 60 per week found? (Go to Working Hours Analysis)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
J: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'No', please explain: NA	

K: Are the correct legal overtime premiums paid? (Go to Wages Table)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium
L: Please state what actual OT is paid. (As a percentage of the workers standard rate) (Go to Working Hours Analysis)	<i>Please give details of overtime premium as a % of standard wages:</i> <input type="checkbox"/> 0% <input type="checkbox"/> 1% – 115% <input checked="" type="checkbox"/> 116% – 124% <input checked="" type="checkbox"/> 125% – 199% <input type="checkbox"/> 200%+ Please give details: 133% for first two overtime hours and 166% for overtime hours after two hours on regular days. 200% on Saturday, Sundays and national holidays
M: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
N: % of workers living in site provided accommodation (if applicable):	0 %
O: Age of youngest worker found: (Go to clause 4 – Child labour)	25 year old
P: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
% of under 18's at this site (of total workers)	0 %
Q: What form of worker representation/union is there on site? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None
R: Is it a legal requirement to have a union? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
S: Is It a legal requirement to have a workers committee? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
T: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) (Go to clause 2 – Freedom of Association)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Verbal exchange, suggestion box and labour-management conference
U: Are there any External Processes? (Go to clause 8A – Sub-contracting and Home working)	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process <input checked="" type="checkbox"/> No external processes

Management Systems

Management Systems:	
A: Nationality of Management	TAIWAN
B: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	Male: 50 % Female: 50 %
C: Majority nationality of workers	TAIWAN
D: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	__0__ %
E: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F: If No , why not?	Not applicable
G: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: Not applicable
H: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: Not applicable
I: If Yes , is there evidence (an indication) of effective implementation? Please give details.	Not applicable
J: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The relevant training was conducted for workers before they joining in the factory.
K: If Yes , is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	Based on training record review, the relevant training was conducted for workers before them joining in the facility.
L: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Hot line and suggestion box
M: If Yes , are workers aware of these channels? Please give details.	Based on worker's interview, all of them aware of these channels and they can use it without any interference
N: Have health and safety risks been identified e.g. through internal audits, formal	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

risk analysis process, worker involvement etc.?	Please describe: The social internal audit was conducted on October 01, 2015, the relevant risk was identified.
O: If Yes , has effective action been taken to reduce or eliminate these risks?	Yes, relevant effective action been taken and all finding has been corrected
P: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The accidents recorded last record was July 2016.
Q: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
R: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	Business License#: 70522636 Facility Registration#: 99-663720-01
S; 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).	No
T: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: There was one specific HR dept.

Worker Analysis

Worker Analysis								
	Local			Migrant				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – male	3	0	0	1	0	0	0	4
Worker numbers – female	4	0	0	0	0	0	0	4
Total	7	0	0	1	0	0	0	8
Number of Workers interviewed	4	0	0	1	0	0	0	5

Contractors:

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

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If Yes , how many workers supplied by contractors	Not applicable
C: Are all contractor workers paid according to law?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable
If Yes , Please give evidence for contractor workers being paid according to law:	Not applicable

Migrant Workers:

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

D: Originating Locations/Countries:	One Philippines worker in facility
E: Type of work undertaken by migrant workers :	Operator
F: Were migrant workers recruited through an agency?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

If yes, please give details.	Please describe: Migrant workers recruited through Joshiny Source Company., Ltd.
If Yes , is there a contract with the agency? Provide details of agencies and contractual arrangements including any fees lodged during the recruitment process.	Yes. (Agency: Joshiny Source Company., Ltd. Phone: 886-7-3012919 Address: 1F.,NO.98 Cueiping Rd. Nanzih District, Kaohsiung City, Taiwna R.O.C) The signed contract specifies the migrant employees must obey the local law requirement within 3-year contract period and they will receive the minimum regular legal wage, NTD 20,008 and all statutory benefits.
G: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: Not applicable
H: Percentage of migrant workers in company provided accommodation:	Nil

Audit Results by Clause

0: Managements system and Code Implementation

[\(click](#)

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

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

Current Systems and Evidence Examined

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

Current systems:

- 1) Through document review, the facility has not communicated ETI Code to their employees and suppliers.
- 2) May Lan /Manager stated that she aware the application of this code and he will apply this code and distribute to all employees in the near future.

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

Working Rules
 Business License
 Factory registration
 Personnel files
 Attendance records and payroll records (from August 2015 to July 2016)

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:

1: Employment is Freely Chosen

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

- 1) Through employees' interview, 5 out of 5 interviewed employees stated that the original ID cards are kept by themselves and the facility just keeps a copied version of their ID cards.
- 2) Through the employee handbook review, stated that all workers could quit his/her job with legal notice without any penalty.
- 3) Through management interview (May Lan/Manager) She stated that all employees joined/worked in the facility voluntarily and no any force in the facility.
- 4) Through the facility tour and interviewed employees, all selected employees said they could leave once 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.
- 5) Based from payroll records review and selected employees' interview, all deductions only including labor 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):

Personnel files
Working Rules

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law:

Local law and/or ETI requirement

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

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

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

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

[\(Click](#)

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1) Through Management interview (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.
- 2) 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 13 June, 2016.
- 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):

Personnel files
 Labour-management conference records (13 June, 2016)
 Working Rules

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Objective evidence

observed:

(where relevant please add photo numbers)

Recommended corrective action:

Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

A: Name of union and union representative, if applicable:	Not applicable. There is no union in the facility.	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
B: If no union what is parallel means of consultation with workers e.g. worker committees?	Not applicable. There is no committees in the facility.	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
C: Were worker representatives/union representatives interviewed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many:	
D: State any evidence that union/workers committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Not applicable	
E: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
F: If Yes what percentage by trade Union/worker representation	<u> 0 </u> % workers covered by Union CBA	<u> 0 </u> % workers covered by worker rep CBA
G: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable	

Good Examples observed:

Description of Good Example (GE):

Objective evidence 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) There's 1 Technical personnel is qualified first aid personnel in the facility which is complied with local law requirement.
- 2) Based from facility tour and document review, all of the 27 fire extinguishers are accessible and are free of obstructions. The facility checks the pressure once per month and maintains these logs.
- 3) Through facility tour observation and fire equipment inspection records reviewed safety equipment are present, visible, and accessible, in operating condition and in sufficient number.
- 4) Through the training record and employees' interview, the facility provided health and safety training to each newly recruited employee changing activities. The latest training record (06 May, 2016) was provided for review during audit.
- 5) Through facility tour observation, the facility posted MSDS + pictograms near the places where chemicals are stored and used through the facility tour. Through the employees' interview, all employees are familiar with these emergency procedures via chemical training.
- 6) Through facility tour observation, all the electric control panels are installed with inner isolation covers and outer covers with clear labels and warning notice through the facility tour.

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

Safety and Hygiene Working Rules (Approval number is #B096008446 by South Labour Inspection Bureau.)
 Annual fire fighting registration (dated 30 November 2015)
 Machines maintenance records (dated June 2016)
 Fire and evacuation drill records (dated 01 April 2016)

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law Base on document review, It was noted that there was no one in the facility has been trained by Grade C Manager of Occupational Safety and Health Affairs Educational Training.</p> <p>Local law and/or ETI requirement In accordance with the Occupational Safety and Hygiene Organization and Auto Inspection Article 3: Employer of Defined Enterprises at Article 2 shall set up Manager of Occupational Safety and Health Affairs; Specialist and Officer at First Type Enterprise whose employees exceed 100 shall be full-time job. Specialist and Officer at Second Type Enterprise whose employees exceed 300 shall be full-time job. These full time Specialists and Officer shall not conduct non-related occupational safety jobs. First Type Enterprise (Obvious risk)</p> <p>ETI Code 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>Recommended corrective action: It is recommended that the facility should ensure one person to be trained by Grade C Manager of Occupational Safety and Health Affairs Educational Training.</p> <p>2. Description of non-compliance: <input type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law Base on document review, It was noted that facility does not carry out drinking water equipment test report.</p> <p>Local law and/or ETI requirement: In accordance with the Drinking Water, Continuous Water Supply Fixed Equipment Usage and Maintenance Act, Article 7 Water testing item and frequency of drinking water equipment are: Tap-water: Filtered and treated water shall test coliform once every three months.</p> <p>Recommended corrective action: It is recommended that the facility should be carried out drinking water equipment test coliform once every three months.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Management interview and document review</p> <p>Management interview and document review</p>

Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>

Good Examples observed:	
Description of Good Example (GE):	Objective Evidence 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) During the site observation, there is no worker under 16 years old on site.
- 2) Through management interview (May Lan/Manager) stated that all workers working at the facility are above the minimum legal age of 16 years old. He stated that the youngest worker is 25 years old.
- 3) Through the personnel files review, confirmed the youngest employee is 25 years old.

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

Personnel files
 Management interview
 Employee interview
 Working Rules

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence

observed:

(where relevant please add photo numbers)

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

Good Examples observed:	
Description of Good Example (GE):	Objective Evidence 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) As per the provided payroll records and the testimonies of all interviewed employees, month-rate employees are paid above NTD 20,208 per month, which is above the minimum legal wage. All employees are guaranteed with the minimum wage. There is no disciplinary or unreasonable deduction.
- 2) Through employees interview, employees stated that the pay stubs and wages are received on the 5th day of each month with no any delay.
- 3) 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):

Management interview

Employee interview

Twelve months of attendance records were reviewed (from August 2015 to July 2016)

Twelve months of payroll were reviewed (from August 2015 to July 2016)

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Wages analysis:

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

A: 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)

5 samples from July 2016. (Current month)
5 samples from January 2016. (the second month)
5 samples from August 2015 (the third month)

B: Are there different legal minimum wage grades? If **Yes, please specify all.**

☐ Yes
☒ No

If **Yes**, please give details: Not Applicable

C: If there are different legal minimum grades, are all workers graded correctly?

☐ Yes
☐ No
☒ N/A

If **No**, please give details: Not Applicable

D: What deductions are required by law e.g. social insurance? Please state all types:

Labour insurance and health insurance

E: Have all of these deductions been made? Please list all deductions that have/have not been made.

☒ Yes
☐ No

If **Yes**, Please list all deductions that have been made: Labour insurance and health insurance

If **No**, please give details on any deductions which have **not** been made:

F: Industry norm for this region: (please include time period e.g. hour/week/month)	Monthly wage: NTD 20,008 per month or NTD 120 per hour since 1st July 2015; previous legal minimum wage is NTD 20,008 for month-rate or NTD 120 for hour-rate.	

Wages table			
(Click here to return to Key information)			
Worker Type	Process Operator (Lowest paid)	Process Operator (Average paid)	Process Operator (Highest paid)
Select from individual worker records one worker from, lowest, average and highest wages and populate the boxes. Ensure comparison is made for same pay period and only uses full-time workers. See SMETA Best Practice Guidance and Measurement Criteria for completing this:			
A: Pay period: (State month selected)	July 2016	July 2016	July 2016
B: Anonymous Employee Reference/Dept.	Packing	Packing	Packing
C: Employee Gender	Male	Female	Female
D: Contracted/Standard working hours: (excluding OT – please include time period e.g. hour/week/month)	160 hours/ month	160 hours/ month	160 hours/ month
E: Contracted /Standard work pay rate: (excluding OT – please include time period e.g. hour/week/month)	Monthly rate (NTD 20,770 per month)	Monthly rate (NTD 21,312 per month)	Monthly rate (NTD 22,630 per month)
F: Standard day overtime – hours: (please include time period e.g. hour/week/month)	0 hours / month	0 hours / month	0 hours / month
G: Standard day overtime – wage: (please include time period e.g. hour/week/month)	NTD 0 / month	NTD 0 / month	NTD 0 / month
H: Rest day overtime – hours: (please include time period e.g. hour/week/month)	0	0	0
I: Rest day overtime – wage: (please include time period e.g. hour/week/month)	0	0	0

hour/week/month)			
J: Statutory Holiday overtime – hours: (please include time period e.g. hour/week/month)	0	0	0
K: Statutory holiday OT – wages: (please include time period e.g. hour/week/month)	0	0	0
L: Total overtime hours: (please include time period e.g. hour/week/month)	0 hours / month	0 hours / month	0 hours / month
M: Incentives/Bonus/ Allowances etc.: (please include time period e.g. hour/week/month)	NTD 2,000	NTD 2,000	NTD 2,000
N: Gross wages: (please include time period e.g. hour/week/month)	NTD 23,670/ month	NTD 25,087 / month	NTD 26,670 / month
O: Social insurance and other deductions; please list which and amount.	NTD 412	NTD 748	NTD 1246
P: Actual wage paid after deduction: (please include time period e.g. hour/week/month)	NTD 22,424/ month	NTD 24,339 / month	NTD 25,988 / month
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
Nil			
Q: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period: Nil		
R: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
S: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Based from payroll records review and individual interview, all employees who are working in the Packing process, similar rates are being paid for same work.		

T: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain: Not applicable
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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) Through attendance and payroll records review and employees' interview, the facility's regular working hours are 80 hours every two weeks. The regular working hours and overtime hours complies with the local regulations.
- 2) Through employees' interview, stated that the facility controls their working day at least one day off for every seven days.
- 3) Through work rules review, normal working hours are 8 hours per day and 80 hours every two weeks; the overtime hours do not exceed 4 hours a day and 46 hours per month, which are the same as the local law requirement.

Evidence examined – to support system description (Documents examined & relevant comments. Include

renewal/expiry date where appropriate):

Employment contract

Management interview

Employees interview

Twelve months of attendance records were reviewed (from August 2015 to July 2016)

Twelve months of payroll records were reviewed (from August 2015 to July 2016)

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Working hours analysis

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

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

Systems & Processes

A: What timekeeping systems are used: time card etc.	<i>Describe:</i> Electronic system						
B: Sample Size Checked (State number of worker records checked and from which weeks/months and type – should be current, peak and random/low: See SMETA Best Practice Guidance and Measurement Criteria)	5 samples from July 2016. (Current month) 5 samples from January 2016. (the second month) 5 samples from August 2015 (the third months)						
C: Do ALL workers have contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If NO, state which type of workers do NOT have contracts/employment agreements:</i> NA					
D: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If NO, please state which type of workers do NOT have standard hours defined in contracts/employment agreements.</i> NA					
E: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If YES, Please complete as appropriate:</i> <table border="1" style="width: 100%;"> <tr> <td><input type="checkbox"/> 0 hrs</td> <td><input type="checkbox"/> Part time</td> <td><input type="checkbox"/> Variable hrs</td> <td><input type="checkbox"/> Other</td> </tr> </table> <i>If "Other", Please define:</i> Nil		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other				
Standard/Contracted Hours worked							
F: Do standard/contracted standard hours ever exceed the law or 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If YES give details and comparison (local law/48 hrs week)</i> NA					
G: What are the actual standard/contracted hours worked in sample (State per week/month)	Highest hours:	80 hours every two weeks					
	Lowest hours:	80 hours every two weeks					
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	<i>If YES, Please give details</i> 					
Overtime Hours							
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	0 hours in July 2016/ month 0 hours in January 2016/ month					

		0 hours in August 2015/ month						
	Lowest OT hours:	0 hours in July 2016/ month 0 hours in January 2016/ month 0 hours in August 2015/ month						
J: Range of overtime hours over all workers/or as large a sample as possible. (State per week/month and details)	0 to 0 in July 2016 0 to 0 in January 2016 0 to 0 in August 2015							
K: Approximate percentage of workers on highest overtime hours	___0___%							
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p><i>Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:</i></p> <p><i>Based on workers interview, all workers stated that they could refuse the overtime work freely without any penalty</i></p>						
Overtime Premiums								
M: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>Please give details of normal day overtime premium as a % of standard wages:</i></p> <table border="1"> <tr> <td><input type="checkbox"/> 0%</td> <td><input type="checkbox"/> 1 – 115%</td> <td><input type="checkbox"/> 116 – 124%</td> <td><input checked="" type="checkbox"/> 125 – 149%</td> <td><input checked="" type="checkbox"/> 150 – 199%</td> <td><input type="checkbox"/> 200%+</td> </tr> </table> <p>Any other comments: 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>	<input type="checkbox"/> 0%	<input type="checkbox"/> 1 – 115%	<input type="checkbox"/> 116 – 124%	<input checked="" type="checkbox"/> 125 – 149%	<input checked="" type="checkbox"/> 150 – 199%	<input type="checkbox"/> 200%+
<input type="checkbox"/> 0%	<input type="checkbox"/> 1 – 115%	<input type="checkbox"/> 116 – 124%	<input checked="" type="checkbox"/> 125 – 149%	<input checked="" type="checkbox"/> 150 – 199%	<input type="checkbox"/> 200%+			
N: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium <u>and</u> this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input 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	<p>Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.</p> <p>Nil</p>						
Rest Days								
O: Are workers provided with 1 day off in every 7–day–period, or 2 in 14–	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Maximum number of days worked without a day off (in sample):						

day-period (where the law allows)?		Based on attendance record review, all workers were rested on Saturday and Sunday per week. Maximum 5 consecutive working days in facility
Total Hours		
P: Range of total hours: (Quote highest and lowest please include time period e.g. hour/week/month)	Highest total hours	40 hours in July 2016/ Week 40 hours in January 2016/ Week 40 hours in August 2015/ Week
	Lowest total hours	40 hours in July 2016/ Week 40 hours in January 2016/ Week 40 hours in August 2015/ Week
R: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons	
	Please explain any checked boxes in R above	
	Based on attendance record review, the weekly maximum working time was 40 hours.	
Comments: (please state here any specific reasons/circumstances that explain the highest working hours)		
Nil		

7: No Discrimination is Practiced

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

ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

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

Current systems:

- 1) Per documents review and employees' interview, the facility has commitment for no discrimination. Every employee has equal opportunities and will be treated equally in employment and occupation regardless of personal background, race, gender, nationality, age, sexual preference or religious belief.
- 2) Through reviewing the work rules, contracts, recruitment policy, payroll records and attendance, no evidence of discrimination was observed in the facility.
- 3) From employee interview, they were not treated differently than the other workers and no pregnancy test was required.

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

Working Rules

Twelve months of attendance records were reviewed (from August 2015 to July 2016)

Twelve months of payroll ledgers were reviewed (from August 2015 to July 2016)

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence

observed:

(where relevant please add photo numbers)

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

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

8: Regular Employment Is Provided

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

- 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 (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.

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

Management interview
 Employment contract
 Payroll records (from August 2015 to July 2016)

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>
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Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

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

8A: Sub-Contracting and Homeworking

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

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

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

Note to auditor on homeworking:

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

Current Systems and Evidence Examined

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

Current systems:

Based from facility tour, purchase order, production records and inspection records review, there is no sub-contracting in the facility.

Based from employment contract review; no contractor, sub-contractor, home-worker and apprenticeship in the facility.

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

Purchase order, production records and inspection records

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence

observed:

(where relevant please add photo numbers)

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

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

Summary of sub-contracting – if applicable	
A: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details: NA
B: Number of sub-contractors/agents used	Nil
C: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details: NA
D: What checks are in place to ensure no child labour is being used and work is safe?	Not applicable
E: What processes are sub-contracted?	Not applicable

Summary of homeworking – if applicable			
F: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details:		
G: Number of homeworkers	Male: 0	Female: 0	Total: 0
H: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		
I: If through agents, number of agents	Not applicable		
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
K: How does site ensure worker hours and pay meet local laws for homeworkers?	Not applicable		
L: What processes are carried out by homeworkers?	Not applicable		
M: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable		
N: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable		

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. Through the facility management and employees' interview, once worker makes mistake, they shall deal with accordingly to the way of the established disciplinary procedures.
2. Through management interview (May Lan/Manager) stated that the facility shall not engage in or support any kind of punishment nor mental or physical coercion occur, and no any verbal abuse. The facility did not use the wage-deduction as a means to punish employees.
3. Based from employees' interview, 5 out of 5 interviewed employees stated that they communicate well with their manager and their can express their view and their complaint to the management or by labour-management conference if there is any harassment or abuse.

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

Working Rules
Worker interview

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence

observed:

(where relevant please add photo numbers)

Observation:

Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:
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Good Examples observed:	
Description of Good Example (GE):	Objective Evidence Observed:

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

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

Additional Elements

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

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. Based from interview (May Lan/Manager) and all employees, they stated that all employees are employed by the facility directly. There are no employees hired from employment agency.
3. Only employees with a legal right to work shall be employed or used by the facility. There are no agency staffs, employment agencies and immigration employees in the facility.
4. Reviewed employment contract, and found all contracts are signed by employees and employer only

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

Personnel files

Employment contract

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

Local law and/or ETI/Additional Elements requirement:

Objective evidence

observed:

(where relevant please add photo numbers)

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

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

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

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

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

B.4. Compliance Requirements

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

10B4.2. Where it is a legal requirement, suppliers must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.

B4. Guidance for Observations

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

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

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

10B4.7. The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

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

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

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

10B.4.11. Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current systems:

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. Based from the environmental policy review, the facility updated the changes in environmental regulations. EHS division take the responsibility for updated environmental regulations; EHS division checks updated regulations from websites once every three months.

4. The latest training records (06 May, 2016) are provided for review during audit
5. The responsible person, Mr. Samuel Young/Director 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):

MSDS of each chemicals
Training records
Environmental policy

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local

Local law and/or ETI/Additional elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation:

Description of observation:

Local law or ETI/Additional elements requirements:

Comments:

Objective evidence observed:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Environmental Analysis (Site declaration only – this has not been verified by auditor. Please state units in all cases below.)		
A; Responsible for Environmental issues (Name and Position):	Samuel Young/Director	
B: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
C: Does the site have an Environmental policy? (For guidance, please see Measurement criteria)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the site have a Biodiversity policy? (For guidance, please see Measurement criteria)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
F: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
G: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Details: The facility does not used hazardous chemicals.	
H: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: There has environment management system on site.	
Usage/Discharge analysis		
Criteria	Current year: Please state period: June of 2016	Previous Year: Please state period: June of 2015
Electricity Usage: Kw/hrs	22400	22480
Renewable Energy Usage: Kw/hrs	No renewable energy usage in this facility.	No renewable energy usage in this facility.
Gas Usage: Kw/hrs	No Gas usage in this facility	No Gas usage in this facility
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If Yes , please state result	Current year: Please state period: April of 2016	Previous Year: Please state period: April of 2015
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> • Groundwater • Tap-water 	<ul style="list-style-type: none"> • Groundwater • Tap-water
Water Volume Used: (m ³)	114	113
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> • Toilet • • 	<ul style="list-style-type: none"> • Toilet • •
Water Volume Discharged: (m ³)	114	113
Water Volume Recycled: (m ³)	No recycled	No recycled
Total waste Produced <i>(please state units)</i>	Not applicable	Not applicable
Total hazardous waste Produced: <i>(please state units)</i>	Not applicable	Not applicable
Waste to Recycling: <i>(please state units)</i>	Not applicable	Not applicable
Waste to Landfill: <i>(please state units)</i>	Not applicable	Not applicable
Total Product Produced <i>(please state units)</i>	5 ton per day	5 ton per day

10C: Business Ethics – 4-Pillar Audit
[\(Click here to return to NC-table\)](#)
 To be completed for a 4-Pillar SMETA Audit

10C. Guidance for “Observations”

- 10C.1. Suppliers should have completed the appropriate section of the SAQ and have made it available to the auditor.
- 10C.2. The supplier should have received and acknowledged– preferably in writing – the Business Ethics policy of the auditor/audit company.
- 10C.3. Suppliers shall seek to conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.4. Suppliers shall be aware of any applicable laws, their end client’s Business Ethics standards/code requirements and have a system in place to monitor their performance against these.
- 10C.5. Supplier should have a Business Ethics policy concerning bribery, corruption, or unethical Business Practice. This should be clearly communicated to all relevant parties.
- 10C.6. Suppliers should have a designated person responsible for implementing standards concerning Business Ethics
- 10C.7. Suppliers should have a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter
- 10C.8. Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

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

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. Anti bribery policy of the facility sated that no under-the -table money giving and inappropriate gift giving; the facility communicate the policy on orientation training and posted on bulletin
2. Anti bribery policy is posted on the bulletin board and communicates with new employees during the orientation
3. A transparent system in place for confidentially reporting and dealing with, unethical business practices, without fear of reprisals towards the reporter

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

Anti bribery policy
 Work rule

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

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

Worker Interview Summary

Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria)	Nil	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 3	Female: 2
E: Total number of interviewed workers (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 3	Female: 2
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 any negative issue raised. They were satisfied with the factory.	
I: What did the workers like the most about working at this site?	All workers said they were satisfied with management positive attitude.	
J: Any additional comment(s) regarding interviews:	Nil	
K: Attitude of workers to hours worked:	They were satisfied with the working hour arrangement.	

Agency Workers (if applicable) (workers sourced from a local agent who are not directly paid by the site)	
A: Number of agencies used (average):	None And names if available: NA

B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable

Other findings

Other Findings Outside the Scope of the Code
None

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

Photo Form

		
Building of the facility	Facility Name	Attendance system
		
Exit Indicator	Evacuative map	Handrail
		
Manual fire alarm	Drinking fountain	Fire extinguisher

		
Smoke detection	Auto fire alarm system	Aisles
		
PPE for employee	Emergency directed	The inner cover of electrical box
		
Emergency light	Toilet	Washing facilities

		
First aid kit	Employee suggestion box	Emergency Exit
		
Warning label on machine	MSDS on site	Emergency stop button
		
Warehouse	Packaging area	Production area

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

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

Click here for A & AB members:
http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

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

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

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

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

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