



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000023124	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000026696	
Business name (Company name):	Hub pen			
Site name:	Hub pen			
Site address:	1525 Washington St braintree ma 02184 US	Country:	US	
Site contact and job title:	Julie Herb / Operations Manager			
Site phone:	781 535 5500	Site e-mail:	julie.herb@hpgbrands.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-10-01			

Audit Company Name:
QIMA Ltd

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

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Erick Cartas	APSCA Number:	21700442
Additional Auditors:			
Date of declaration:	2024-10-03		

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

Site Representation	
Full Name:	Julie Herb
Title:	Operations Manager
Date of declaration:	2024-10-03
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management Systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1	§1	0	1	0	Obs - ZAF600660719
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive			0	0	0	
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	§ 1910.304 Wiring design and protection. (ii) Signs warning of high voltage shall be posted where unqualified employees might come in contact with live parts.

Site Details

Site Details			
Company Name	Hub pen		
Site Name	Hub pen		
GPS location (if available)	GPS Address:	1525 Washington St 1, Braintree, Massachusetts, 02184, USA	
	Coordinates:	42.187587, -71.013353	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business Certificate Issue Date on August 30, 2023 and Expires August 30, 2027,		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Promotional Writing Instruments		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Hub pen is located at 1525 Washington St 1, Braintree, Massachusetts, 02184, USA. Site has a size of 96, 000 sqft and started operations in 2006.		
Structure and number of buildings	Building Name:		Production Unit
	Floor	Description	Remark
	1	Raw material reception area, Inventory storage, silkscreening phase, digital laser area, packaging, palletizing, shipping. Breakroom, restrooms.	None.
	2	Administrative offices, restrooms and break room.	None
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: None observed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a Certificate of Occupancy.		

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season	September to January	
Process overview	Raw material reception area, Inventory storage, silkscreening phase, digital laser area, packaging, palletizing, shipping.	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> None
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Accomodation buildings are not provided.	

Audit Parameters						
Time in and time out	Day 1		Day 2		Day 3	
	In	09:00	In	09:00	In	09:00
	Out	15:00	Out	16:00	Out	12:00
Audit type:	FULL_INITIAL					
Was the audit announced?	ANNOUNCED					
Was the Sedex SAQ available for review?	Yes					
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No					
Who signed and agreed CAPR	Julie Herb / Operations Manager					
Is further information available	No					

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	No	No
B: Present at the audit?	Yes	No	No
C: Present at the closing meeting?	Yes	No	No
<i>Reason for absence at the opening meeting</i>	There is no union nor worker committee established at the company.		
<i>Reason for absence during the audit</i>	There is no union nor worker committee established at the company.		
<i>Reason for absence at the closing meeting</i>	There is no union nor worker committee established at the company.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	45	0	0	0	0	0	0	45
Worker numbers – female	78	0	0	0	0	0	0	78
Total	123	0	0	0	0	0	0	123
Number of Workers interviewed – male	0	0	0	0	0	0	0	0
Number of Workers interviewed – female	0	0	0	0	0	0	0	0
Total – interviewed sample size	0	0	0	0	0	0	0	0

Nationalities Structure		
Nationality of Management	American	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: American approx %: 100%	
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	85%
	Salaried:	15%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	0%
	Other:	100%
	Details for other:	Bi-weekly.

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 groups of 5 workers.
Number of individual interviews:	Male: 2 Female: 4
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Improve ventilation.
What did the workers like the most about working at this site?	Working environment.
Any additional comment(s) regarding interviews:	None.
Attitude of workers to hours worked:	Favorable.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

26 employees selected for interview, which 6 out of 26 were interviewed individually, the balance of 20 were interviewed in 4 groups of 5 employees. The employees were assured of confidentiality, and they spoke freely of their opinions of the factory. All employees said they were satisfied with their employment at the factory, and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.

Attitude of worker's committee/union reps:

Not applicable there is no union nor worker committee established at the site.

Attitude of managers:

The facility management showed a positive attitude to this audit during the whole process. All necessary documents were provided timely, and a private room was arranged for employees' interview. No negative information was raised by managers.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

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

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

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

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

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

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

The site has its corporate social accountability Code that requires compliance with national laws & ILO (International Labour Organization), Conventions and Recommendations and the United Nations Universal Declaration of Human Rights, in critical areas of employment & basic human rights. Each site must comply with the policy as it directly endorsed the respect for the Human Rights and its impacts ensuring communication to appropriate parties.

The responsible person for implementing the Human Rights is the Human Resources Manager. In addition to applying these standards in its own affiliates, company also believes that, to qualify its business activities as ethical and sustainable, it must safeguard human rights in the communities (particularly those in developing countries) that produce the basic materials for its products. Company has therefore included a Supplier Social Accountability Program within its Standard. This requires all suppliers and subcontractors, to formally commit to adhere to similar social standards (although not necessarily on a formal basis), and to provide evidence that these standards are being met.

They have an ethical hotline system established globally to ensure transparent system for confidentially reporting and dealing unethical practices reporting including human rights impacts without fear of reprisals towards the reporter.

Evidence examined:

- Company's Code of Conduct.
- Internal Rules and Regulations
- Employee interview concerning ethical training

Any other comments:

None.

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

There is the HBP Labor & Human Rights Policy Ver 01212024.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

All policies are included into the employee handbook.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Zalima Oliver, HR Manager.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Human Rights Policy is in place and is given to every new employee during the onboarding process. Company encourages all employees to report violations of the Human Rights Policy through one of several channels available to them without fear of reprisal. Employees can contact: 1) Their direct manager or next-level manager 2) Their Human Resources Manager Retaliation against an employee for reporting an issue in good faith is a violation of the Code of Conduct and the Respectful Workplace training.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has effective procedures to implement privacy workers information.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 16.6% This year 24.4%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	4.5%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 2.0% This year 1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	1.0%

Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accidents are recorded into the OSHA Log.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	3.0%
	This year	5.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	2.0%	
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	18.0%
	This year	10.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	3.37%
	12 month	2.31%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

Facility's policies and procedures were reviewed and found in compliance with the local laws. The facility maintains systems for delivering compliance to the required laws and regulations. Management awareness regarding this audit was noted. The principle of the code found posted in the various areas of facility.

Evidence examined:

- Management systems /Site's Code of Conduct.
- Poster for worker communication on notice board
- Worker training record
- Worker interview
- Management interview

Any other comments:

None.

Management Systems

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

☐ Yes ☒ No

Please give details:

Site has not been subject to any legal action in the past year.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

Site follows local laws regarding forced labour, child labour, discrimination, harassment & abuse.

If Yes, is there evidence (an indication) of effective implementation? Please give details.

Site provides trainings and has policies in place.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

All staff receive training on annual basis about the standards for forced labour, child labour, discrimination, harassment & abuse.

If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has training records for all kind of training signed by the employees with evaluation by management.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not found.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Zalima Oliver, HR Manager.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Julie Herb, Operations Manager.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has confidentially policy and procedures to protect workers' information.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has confidential policy and procedures, refer employee handbook, and ethics policies.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Managed by corporate ethics team
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Site manager need to report their performances of such risks and actions taken to the corporate team.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy for supplier's.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The Company has all required land rights, licences, and permission
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The corporate legal team ensures legal due diligence relating to land title through onsite/offsite document verifications.

Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is a specific procedure to land rights.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is no manipulation or coercion of the Indigenous People since the territory is already City's developed. The company owns the properties that installed the facilities.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is no manipulation or coercion of the Indigenous People since the territory is already City's developed. The company owns the properties that installed the facilities.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No illegal appropriation of land for facility building or expansion of footprint.

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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:

There is no evidence of forced, bonded or involuntary prison labour. It was confirmed with employees interviewed. During interviews and site tour, employees were asked how they chose to work at the company, and all indicated they accepted their positions without any involuntary requirements. Workers are free to leave if wanting to and are not required or forced to work, hiring is at will basis, no contract is required according to local laws, however, they have offer letter about working and safety conditions.

Evidence examined:

- Employee Interviews
- Code of Conduct of customer/Internal standard, Rules and Regulations.
- Facility Policies and Procedures
- Facility tours.
- Management Interviews

Any other comments:

None

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is employment at will as established by local law.
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A.
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Worker are free to leave after working shift is completed.

Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The facility has policy and procedures to avoid forced or trafficked labour.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: They have strong social accountability policy that their suppliers should also respect

2 - Freedom of Association and Right to Collective Bargaining are Respected [Summary of Findings]

2: Compliance Requirements

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:

This is not a unionized facility, there was no indication that management violates any employee's right. Employees expressed that they don't recall any negative comments towards unions. Employee found happy overall with management activity, most of them are happy with open door policy. Employees surveys are in effect, but employees consider to the result of annual surveys are communicated to employees.

Evidence examined:

- Employee hand book and policy
- Notice board
- Worker interview
- Management Interview
- Weekly safety meeting

Any other comments:

None.

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> None
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion boxes, ethics hotline for anonymous complaints and open-door policy.	
Is there evidence of free elections?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no union nor worker committee established at the company.	

Name of union and union representative, if applicable:	N/A.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Suggestion boxes, ethics hotline for anonymous complaints and open-door policy.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.
Were worker representatives freely elected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of last election:	null
Do workers know what topics can be raised with their representatives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	There is no union nor worker committee established at the company.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic [Summary of Findings]

3: Compliance Requirements

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:

The facility is well ventilated and illuminated. The areas are clean and with good safety and health standards. The facility provided free supplies of PPE for workers, visitors and contractors. Fire extinguishers have been inspected regularly. All new hires go through orientation that includes safety: PPE, Lockout Tag out, MSDS, Emergency Evacuation Plan, Fire extinguishers. Yearly training calendar is available that covers all employees to get trained as scheduled.

Evidence examined:

- OSHA Log posted.
- Safety and Health policy.
- Safety and Health training records.
- Employees interviewed.
- Emergency Action Plan
- Employee Handbook.
- Emergency Response Plan.

Any other comments:

None.

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

☒ Yes ☐ No

Please give details:

Policies and procedures reviewed.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

Training Manual and employee handbook.

Are there any structural additions without required permits/inspections (e.g. floors added)?

☐ Yes ☒ No

Please give details:

No additions reported.

Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitors and contractors are provided with PPE before authorizing access to the plant.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not required.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There a group of workers who are trained on first aid in case of an emergency.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Transportation is not provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A. No living spaces, workers have lockers onsite.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Fire risk assessment, lighting assessment, noise assessment, PPE assessment, machinery risk assessment, and others.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies, procedures and permits reviewed.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Company meets all its legal obligations on environmental requirements.

Observation		Evidence																											
[Back to findings summary]																													
<table><tr><th colspan="2">Observation</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600660719</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>227 - Unmarked / incorrect labels / signage / instructions for electrics</td></tr><tr><td>Subcategory</td><td>Electrical risk</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>§ 1910.304 Wiring design and protection. (ii) Signs warning of high voltage shall be posted where unqualified employees might come in contact with live parts.</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the observation</td><td>During facility tour it was observed in the production area that there were 2 electric boards that did not have a warning sign. This issue was solved during the audit process. Hence auditor marked it as observation.</td></tr><tr><td>Actions</td><td>This issue was solved during the audit process. Sign was marked in the electric panels.</td></tr></table>			Observation		Status	OPEN	Reference	ZAF600660719	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	Subcategory	Electrical risk	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	§ 1910.304 Wiring design and protection. (ii) Signs warning of high voltage shall be posted where unqualified employees might come in contact with live parts.	ETI code	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.	Explanation to the observation	During facility tour it was observed in the production area that there were 2 electric boards that did not have a warning sign. This issue was solved during the audit process. Hence auditor marked it as observation.	Actions	This issue was solved during the audit process. Sign was marked in the electric panels.	
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4 - Child Labour Shall Not Be Used [Summary of Findings]

4: Compliance Requirements

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:

There is no evidence of child labor or historical child labor. The facility hires only candidates with 18 years of age and over. Their social accountability standard has a commitment to ensure remediation for incidental child labor.

Evidence examined:

- Employees / managers interviewed.
- Personal files reviewed.
- I-9s and W-4
- Hiring system reviewed.
- Federal and State posting.

Any other comments:

None

Legal age of employment:	16
Age of youngest worker found:	18
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There are no workers hired under 18 years old.

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The minimum wage in Massachusetts is \$15 USD per hour. The facility pays \$16 USD per hour for entry level jobs. The pay rates are annually reviewed, Employees confirmed that all deductions are the legally mandated and authorized by them. There are no deductions from wages used as disciplinary measure. Wages paid to employees are communicated to employees during hiring process. No one specifically complained any disciplinary measures over wages, there was no such evidence in the document review as well.

Evidence examined:

Polices; employment classifications, Hours of work, flexible work schedules, hours paid, recording work hours/time cards, overtime, payroll processing and direct deposit and deductions required by local law.
Payroll review
Worker concern about wage information and condition of employment (worker interview)
Pay stubs (pay check / bank transfer information)
Federal and State posting.

Any other comments:

None.

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 160.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 4.0 Per Week: 20.0 Per Month: 80.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 128 Per Week: 896 Per Month: 3840	NO

Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 1.5 Per Week: 1.5 Per Month: 1.5	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
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)	Biweekly pay periods For September 2024 March 2024 October 2023		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	\$16 USD/hour		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:Not found. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	1.Federal Income Tax 2.Social Security/FICA/Medicare 3.Medical/Dental/Vision/Life Insurance/Disability		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	1.Federal Income Tax 2.Social Security/FICA/Medicare 3.Medical/Dental/Vision/Life Insurance/Disability		
Please list all deductions that have not been made.	N/A.		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All time worked is paid.		

Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is an annual review of wages.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There are equal rates for equal work.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

6 - Working Hours are not Excessive [Summary of Findings]

6: Compliance Requirements

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:

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:

Local laws do not restrict to work more than 60 hours a week, however, no employees found working over 60 hours in the sampled documents and no one found working 7 days without a day off. (local law is not restricting seven consecutive days working) in a normal circumstances.

Overtime is voluntary , overtime is paid 1.5 times of regular rate per hour; Employees get two 15-minutes paid break and a 30-minute paid break for lunch.

Evidence examined:

Pay stubs (pay check / bank transfer information)

Time cards

Worker interview

Any other comments:

None.

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Electronic timekeeping system.
------------------------------------	--------------------------------

Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---	---

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	---

Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	0 hours/day in September 2024 (current month) 4 hours/day in March 2024 (peak month) 0 hours/day in October 2023 (non-peak month) 0 hours/week in September 2024 (current month) 20 hours/week in March 2024 (peak month) 0 hours/week in October 2023 (non-peak month) 0 hours/month in September 2024 (current month) 80 hours/month in March 2024 (peak month) 0 hours/month in October 2023 (non-peak month)
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.
Approximate percentage of total workers on highest overtime hours:	10.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: As per employee handbook Overtime will be worked on voluntary basis.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A - there is no legal requirement to OT premium Please give details: 1.5 times of hourly rate.

Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 1.5 times of hourly rate.		
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input checked="" type="checkbox"/> Other	<input type="checkbox"/> Consolidated pay	<input type="checkbox"/> Collective Bargaining agreements
Please give details	N/A.		
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Site can demonstrate exceptional circumstances	<input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input checked="" type="checkbox"/> Other reasons (please specify)	<input type="checkbox"/> Safeguards are in place to protect worker's health and safety
Please give details	N/A.		
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A.		
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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:

Site has policies in place preventing unfair hiring and treatment of workers. Employees interviewed commonly stated that the owner have an open communication with them, and the management and supervisors are being fair in decisions regarding hiring, promotions and training. Employment policy and internal regulations were reviewed and found to cover this area. All individuals were observed to be respectful and considerate of their fellow worker. No evidence of discrimination was observed during this audit.

Evidence examined:

- Employee Interviews
- Employees' files.
- Code of Conduct of customer/Internal Rules and Regulations approved.
- Facility Policies and Procedures
- Management Interviews
- Payroll records and attendance sheets

Any other comments:

None.

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 40.0%Female: 60.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	3 line leaders.		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	No evidence found.		
Professional Development			
What type of training and development are available for workers?	Health and Safety trainings.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

Site does not use staffing agencies as labor providers. There is no evidence of any violation of the requirements to make available work time for employees. This was confirmed with employees interviewed. Regular working hours for each position and associated overtime is made available to all employees. Schedules and daily work assignments are made available in advance to the employees posting the working hours in their area of work.

Evidence examined:

Employee Interviews
Internal Rules and Regulations.
Payroll records and offer

Any other comments:

None.

Responsible Recruitment

All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:

There are no migrant workers hired.

Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There are no migrant workers hired.
Is there any observation on this finding?	N/A.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	Agencies are not used.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Agencies are not used.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Contractors are not used.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.

8A - Sub-Contracting and Homeworking
[Summary of Findings]**8A: Compliance Requirements**

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

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

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 are no sub-contractors nor homeworking at the facility.

Evidence examined:

- 1.Site tour.
- 2.Management interview.
- 3.Worker interview.
- 4.Production records.

Any other comments:

N/A.

Summary of sub-contracting – if applicableIs there any sub-contracting at this site? ☐ Yes ☒ No**Summary of homeworking – if applicable**Is homeworking used at this site? ☐ Yes ☒ No

9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

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.

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

Current Systems and Evidence Examined

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

Current Systems:

1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination, and the company has developed a training program for all employees on the procedure. Employees' interviews confirmed that employees were aware of the disciplinary procedure.

2. As per management interview, document review and employees' interview, there was a policy on Harsh Treatment.

3. There is an internal process for grievance, which is anonymous by internet and a hotline, where employees can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the employee in question. All sampled employees were aware of this system.

Evidence examined:

1. The relevant policy on prevention of harassment and abuse.

2. Internal grievance procedure documentation.

3. Company's policies and procedures based on the ETI code

4. Internal rules.

5. Workers' interviews.

Any other comments:

None.

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 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Grievance mailbox and an open doors policy.
If yes, are workers aware of these channels and have access? Please give details.	Workers are informed of these channel during the onboarding process.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Grievance mailbox and an open doors policy.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	There are grievance mechanisms specifically for each category.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

10A - Entitlement to Work and Immigration
[Summary of Findings]**10A: Compliance Requirements**

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

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

Current Systems and Evidence Examined

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

Current Systems:

The facility has policies and procedures to ensure that all workers employed have the legal right to work. During the interview's employees explained the hiring process. Employee eligibility for the selected samples was available for workers. Monitoring information pay records and I-9 form for workers were provided to the auditor

Evidence examined:

- Employment policy
- Immigration requirements
- Pre-employment tests and examination
- Employee eligibility verification record (I-9 form)
- Social security status and W4 form (for legal deduction)

Any other comments:

None.

10B4 - Environment 4-Pillar [Summary of Findings]

10B4: Compliance Requirements

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

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

10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10.B4.7 Businesses shall make continuous improvements in their environmental performance.

10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

10B4: Guidance for Observations

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

10.B4.11 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:

The facility is in compliance with local and national laws as it relates to environmental standards. Required permits are maintained. Good environmental control system was observed. Site KPIS and sustainability goals were measured against global sustainability report.

Evidence examined:

- Environmental management system
- Environmental policy
- Environmental risk assessment
- Environmental reduction targets
- Water bill
- Wastewater discharge permit
- Sustainability report

Any other comments:

None.

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):

Jing Rong- VP of Supply Chain and Sustainability

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Company have conducted an ecovadis survey and have achieved gold status.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not found.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental policy addresses all key impacts from their operations.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not found.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All the required permits have been presented.
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"/> Not Applicable Please give details: N/A.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable to company's activity.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is an improvement and savings program, period 2024, on the environmental commitment
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Company has a commitment to minimize to the limit waste generation, through recycling.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The organization measures the usage of water and electric energy by monitoring the consumption every day.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It has all the requirements and legal authorizations of the service providers of waste and special handling.	
Usage/discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	646043	406562
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	17603	8742
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	local water authority.	local water authority.
Water Volume Used	158000	0
Water Discharged	local water authority.	local water authority.
Water Volume Discharged	150000	0
Water Volume Recycled	0	0
Total waste produced	2215 yards	Not provided
Total hazardous waste produced	55 yards	0
Waste to recycling	240 yards	0
Waste to landfill	1920 yards	0
Waste to other	0	0
Total Product Produced	220,595,725 pces	0

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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.

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:

Facility found in good control of business practice system. Interviewed persons found highly concerned with the business practices they have. Staffs have signed to accept the ethical policy and conduct with their full concern. The policy and the system have been communicated to all level of employee. Interviewed management yet experience any unethical business practices or such reported through confidential channel. There is no indication of any unfair or illegal activities. A meeting with the higher management team confirmed similar practices are enforced and maintained with all customers and government officials. Financial records and controls are in place for handling the running of their day to day business activities.

Evidence examined:


- Code of business conduct
- Protection of confidential information and ownership of intellectual property
- Contractual of obligation
- Anti-trust
- Conflicts of interest; a. Gifts b. improper payments c. Kickbacks, relationships with related parties d. Interest in other business
- Prohibition of retaliation
- Confidential HR hotline Company property information
- social accountability standard and internal audit and supplier engagement

Any other comments:

None.

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: Written policy, posted and communicated to all employees.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Supervisors, all managers (including sales and purchases) and administrative personnel.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Once a year the policy is reviewed by the corporate team.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: third parties must complete their business ethics and monitored through social accountability program by corporate team.

Attachments

 R-Cloud-24091265-Audit Photos.pdf	
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