




Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details

Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 293050322	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 296695682
Business name (Company name):	Concept Management		
Site name:	Concept Management		
Site address: <i>(Please include full address)</i>	Royal House, Tennyson Street, Bolton, BL1 3HW	Country:	United Kingdom
Site contact and job title:	Mark Wilding / Director		
Site phone:	01204363184	Site e-mail:	mark@conceptmanagementuk.com
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	16 th and 17 th August 2017		
Audit Company Name & Logo: SGS UK Ltd 		Report Owner (payee):	

Audit Conducted By

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Roshini Wickramasinghe

Team auditor: Peter John Robson / Risk and compliance manager from SKY as an observer

Interviewers: /

Report writer: Roshini Wickramasinghe

Report reviewer: Nicolas Gaudichon

Date of declaration: 16th and 17th August 2017

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

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

Non-Compliance Table

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			NC Findings Only <i>(note to auditor, summarise in as few words as possible NC's only)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		1		<ul style="list-style-type: none"> OB 0.A.2 The HR policy does not included the nominated person assigned responsibility for HR.
0B Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1	2	<ul style="list-style-type: none"> GP Several certification 9001, 14001, 27001 Gap analysis audit for SMETA OB No ETI codes were shared within the supply chain.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none">
2 Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none">

3	<u>Safety and Hygienic Conditions</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	1		<ul style="list-style-type: none"> • N/Cs • No asbestos certificate • No proper fire risk assessments • Job risk assessments needs improvements • OB • Broken pallet – removed at the time of the audit.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> • •
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		1	1	<ul style="list-style-type: none"> • OB • No records were available for wage increase and this will be shown on August payslips • GP • Good benefits to employees
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		1		<ul style="list-style-type: none"> • OB • Clause in the contract would possibly effect to voluntary overtime. •
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> • •
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> • •

8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• •
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• •
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• •
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• •
10B4	<u>Environment 4-Pillar</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2			<ul style="list-style-type: none"> • N /Cs • Compliance to Ozone –depleting substances regulation 2015 could not be verified • General waste could be segregated to more recyclable waste.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• •

General observations and summary of the site:

The audit findings are based on observations, interviews with employees / management and examination of the company records (sample) available at the time of the audit.

The company had overall very good general management systems in place. Good benefits are given to employees as explained under good practice in wages and benefits section.

However a few non conformances were noted from the audit and have been explained under the sections of H & S and environmental section in this report.

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

Site Details

Site Details																			
A: Company Name:	Concept Management																		
B: Site name:	Concept Management																		
C: Applicable business and other legally required licence numbers and documents for example, business license no, liability insurance, any other required government inspections	Valid employer liability insurance certificate was seen.																		
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Data security and recycling of electronic products such as computers, laptops, gaming equipments such as XBOX, etc																		
E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Concept Management is operating from a shared building having unit 1, 2 and 4 for their operations. Some areas were noted to be shared (eg car park, goods in / out entrance, some corridors and the back yard with the general waste skip)</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>2500sqm</td> <td></td> </tr> <tr> <td>Floor 2</td> <td></td> <td></td> </tr> <tr> <td>Floor 3</td> <td></td> <td></td> </tr> <tr> <td>Floor 4</td> <td></td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes</td> <td></td> </tr> </tbody> </table> <p>For below, please add any extra rows if appropriate. M,./</p> <p>Visible structural integrity issues (large cracks) observed and without structural engineer evaluation</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details:</p>	Production Building no	Description	Remark, if any	Floor 1	2500sqm		Floor 2			Floor 3			Floor 4			Is this a shared building?	Yes	
Production Building no	Description	Remark, if any																	
Floor 1	2500sqm																		
Floor 2																			
Floor 3																			
Floor 4																			
Is this a shared building?	Yes																		
F: Site function:	<input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker																		

	<input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input checked="" type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
G: Month(s) of peak season: (if applicable)	No specific peak season
H: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i>	Concept Management are data security company that complete data erasing which includes the provisions of asset management, recycling, refurbishment and reclamation of endo of life and excess inventory computer and electronic components and equipment
I: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) - open door policy <input type="checkbox"/> None
J: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
K: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation
L: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
M: Were the site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details – n/a

Audit Parameters			
A: Time in and time out	Day 1 Time in: 9.20 Day 1 Time out:17.00	Day 2 Time in:9.00 Day 2 Time out:16.0	Day 3 Time in: Day 3 Time out:
B: Number of Auditor Days Used:	2		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes – SGS pre-audit docs were available <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mark Wilding / Director		
H: Is further information available (if Y please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	n/a as this is the first audit		
J: Previous audit type:	/		
K: Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A		

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

C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	No workers committee		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No union operating on site		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	2 Directors 4 Managers 12 shop floor/ drivers			1				
Worker numbers – female	2			0				
Total	20			1				
Number of Workers interviewed – male	8			1				
Number of Workers interviewed – female	1			0				
Total – interviewed sample size	9			1				

A: Nationality of Management	British
B: Majority nationality of workers	Main countries: British Country 1: _____ approx % total workforce _____ Country 2: _____ approx % total workforce _____ Country 3: _____ approx % total workforce _____
C: Worker remuneration (<i>management information</i>)	_____% workers on piece rate ___65___% hourly paid workers ___35___% salaried workers

	Payment cycle: _____% daily paid _____% weekly paid _100____% monthly paid _____% other – please give details
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Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	3 X 1 + 4 X 1 (all male)
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 2 Female: 1
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaints were raised by the employees
I: What did the workers like the most about working at this site?	Good atmosphere, good management and local job.
J: Any additional comment(s) regarding interviews:	/
K: Attitude of workers to hours worked:	Very positive
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If Yes, please give details:</i>	

M: Attitude of workers:

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

All employees were selected at random. All interviews were conducted in English. All interviews were conducted confidentially without management present. All of those interviewed seemed comfortable with the process and able to contribute openly. All workers were positive with regards to the company

All workers understood their contractual terms and were aware of relevant policies on H & S, HR practices such as discipline, grievance etc.

No concerns were made regarding discrimination in any areas.

All could recall having had an induction covering health and safety, emergency procedures, first aid, accident records, manual handling and basic contractual terms.

There were no concerns in errors / delays of payment and excessive or involuntary hours.

No health and safety concerns were raised.

There is an open door policy with the senior management. Staff had been informed of the ETI code and the audit via signs identified on staff notice boards. All reported that they enjoyed working at the factory and felt it was a good work place. Some members of staff had been at the factory for a considerable amount of time (10-15years)

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

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

n/a as there are no union reps and or worker's committee operating at this site.

O: Attitude of managers:

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

Positive attitude of the management. The managers were courteous and professional throughout the audit and allowed full access for the auditor to inspect all relevant documents. The management team were fully committed to implementation and improvement of management systems and were aware of the expectation of the ethical standard as they have had a gap analysis audit from an independent auditor.

Closing meeting was conducted and all findings including good practices, N/Cs and observations were discussed.

Audit Results by Clause

0A: Universal Rights covering UNGP
[\(Click here to return to NC-table\)](#)

0.A. Guidance for Observations

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

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

Current Systems and Evidence Examined

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

Current systems:

The company is generally aware of the revisions to SMETA 6.0 and the requirements related to Universal/Human Rights/United Nations Guiding Principles.

A separate human right policy was available covering UNGP however policy does not include the name of the responsible person.

There are various policies also documented within an employee handbook including discrimination, discipline, grievance, anti bribery, etc

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

Details:

Interview with the management

Any other comments: none

A: Policy statement that expresses commitment to respect human rights?

Yes
 No

	Please give details:
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is a policy available however no specific person assigned responsibility for Human Rights. Name: Job title
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Reporting systems are available but not specific to Human Rights.
D: 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: Personnel files, wage information and other documents with names and addresses are stored securely in the office.

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: 0.A.2 There is no nominated person assigned responsibility for Human Rights standards.</p> <p>Local law or ETI/Additional elements / customer specific requirement: 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>Comments: The management agreed to include the responsible person's contacts to the policy.</p>	<p>Objective evidence observed: Human Rights requirements are not incorporated in the existing Ethical Trading policy or employee hand book.</p>

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: ___1___ %	This year ___1___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year / 2] * number available workdays in the year	Last year: ___2___ %	This year ___2___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month	0	0
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year:2016 Number: 1	This year:2017 Number:1
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	0
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 0	This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months ___0___% workers	12 months ___0___% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months ___0___% workers	12 months ___0___% workers

0B: Management system and Code Implementation
[\(click here to return to NC Table\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

The Director was the appointed person who is responsible for compliance with the code. Management was well aware about the expectation of the ethical standard and the scope and have had an independent risk assessment audit covering the ethical standard. Ethical codes were posted on the notice boards.

Group and local policies are established relevant to all aspects of the code.

The employees interviewed were aware of the company policies related to discipline, discrimination, harassment and policy documents included in the Employee handbook. ETI codes were posted on the notice board.

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

Details:

Company code of conduct

ETI codes

Hand book

Interview with the employees management

Any other comments: none

Management Systems:

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

- Yes
- No

Please describe: as per the management no such issues

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

- Yes
- No

abuse?	Please describe: some policies such as non discrimination, non harassment were available
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	No issues noted, verified via interviews.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No formal training but management / team leaders were given with briefing
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No formal training records were available
F; Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: ISO9001, 14001, 27001
G: Is there a Human Resources manager/department? If Yes, please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: as mentioned under the current practice section
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: data protection policy in place
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: records are kept locked
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: risk based audit was conducted
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: corrective actions was taken for risk based audit
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
Land rights	

<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: not applicable in the UK however business licence was available</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: n/a</p>
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how does the company obtain FPIC: n/a</p>
<p>Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.</p>	<p><input checked="" type="checkbox"/> Yes – this is being informed where applicable <input type="checkbox"/> No Details:</p>
<p>R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: n/a as this has not happen</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: no issues noted</p>

Non-compliance:

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

<p>Description of observation: The company does not communicate ETI codes within the supply chain.</p>	<p>Objective evidence observed:</p>
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Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

1: Freely Chosen Employment
[\(Click here to return to NC-table\)](#)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

It was confirmed that all work is contracted on a voluntary basis and that employees are free to leave upon completion of notice (Notice periods are mentioned in the contract).
 There is no evidence of any forced or involuntary labour. There is freedom of movement at this site. Overtime is available on occasion to cover busy periods and employees disclosed this was on a fair, equitable basis and voluntary. Also, employees are not required to lodge "deposits" or their original identity papers with the employer.

All employees working at the facility are voluntary with no debts or monies owing to the company

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

Details:

- Employment contracts
- Employees personal files
- ID copies
- Pay slips
- Overtime records
- Hand book
- Interview with the management and the employees.

Any other comments: none

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected</p>
<p>C: Is there Any evidence of retention</p>	<p><input type="checkbox"/> Yes</p>

of wages /deposits	<input checked="" type="checkbox"/> No If yes please give details and category of worker affected
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement'. F: Is there a modern day slavery statement published	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: no issues noted from the interviews
H: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: <input checked="" type="checkbox"/> Not applicable – no such issues
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: direct recruitments / regular meetings with labour providers where applicable

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement

Section 71 in the Coroners and Justice Act (2009), which specifically addresses 'slavery, servitude and forced or compulsory labour'.
 The UK's regulation of forced labour is considered with reference to the definition and indicators as developed through the ILO. This defines forced labour as: 'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily'.
 • Employment Rights Act 1996

Objective evidence observed:

(where relevant please add photo numbers)

<ul style="list-style-type: none"> • Employment Relations Act 1999 <p>Recommended corrective action:</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>

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:

Although there isn't a union / employees' committee operating at this site, communication is achieved via open meetings when necessary.
 The workers stated that they can communicate directly with their line management whenever required.
 None of the workers interviewed, in groups or individually expressed any desire to establish union representation and the management did not express any objection to union.

The management operates an open door policy and employees stated that this is effective.

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

Details:

- Communication policy
- Hand book
- Interview with the management and the employees

Any other comments: none

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) – open door policy <input type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>C: Is it a legal requirement to have a</p>	<p><input type="checkbox"/> Yes</p>

worker's committee?	<input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Describe: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:	
F: Name of union and union representative, if applicable:	/	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?	/	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election:
J: Do workers know what topics can be raised with their representatives?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many:	
L: State any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.		
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
N: If Yes what percentage by trade Union/worker representation	___% workers covered by Union CBA	___% workers covered by worker rep CBA
O: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement:

- Trade Union and Labour Relations (Consolidation) Act 1992
- (Employment Relations Act 1999) – must recognise union if balloted workforce want one.
- Human Rights Act 1999: Compulsory trade union recognition

If the employer doesn't agree to recognise a trade union, the trade union can apply to the CAC (Central Arbitration Committee) for recognition to be awarded for a particular bargaining unit (group of workers)

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:

3: Working Conditions are Safe and Hygienic

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

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:

During the site tour at the facility, it was noted that the building appeared well lit, ventilated and generally safe with the warning signs posted where applicable. The company does have good H&S management systems in place. One of the directors is dedicated for H & S. In addition, there are H & S meeting operating on site with all the employees and numbers of toolbox talks have been undertaken.

A couple of first boxes and 3 first aiders are available at this site. Fire exits are available and directions given for the same as appropriate. Fire fighting equipments such as alarm, emergency lights, extinguishers, etc are available and tested/ serviced periodically as appropriate. The fire drills are conducted on regular basis and employees were aware of the evacuation procedure.

General H & S training and work place safety training have been provided, including the induction, manual handling, emergency procedures, first aid, accident reporting, day to day H & S, display screen, electrical safety, etc where applicable. Records were also available for risk assessments, fire risk assessments, PAT testing, fixed electrical installation, etc for inspections, though some needs updating.

MSDS and COSHH risk assessments were available the chemical that used by the site.

There has been 2 minor accidents in 2016 and 1 minor accident in 201.

The facility has sufficient toilets; a canteen is available with microwaves, fridge and a kettle for tea/coffee making. All required PPEs are provided at no cost to employees.

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

Details:

H & S policy – signed in Jan 2017

Emergency procedures / tool box training – July 2016
 Risk assessment – seen but has not covered some concerns.
 Fire drill records- Fire drill has been conducted on the 14th June 2017 (fire evacuation tool box talk June 2016
 Fire alarm testing records – Fire alarm external testing on the 12th April 2017
 Emergency light test records – internal tests
 Fire extinguishers service records – by KWFire on the 15th December 2016
 Employees’ training records – several tool box talk such as fire evacuation, handling of spillage, being safety aware, good housekeeping, safety signs and notices, PPEs, Forklift truck operations, manual handling, using of hand tools, hazardous substances, accident reporting, etc
 COSHH records – was seen along with the list of chemicals
 Fire risk assessment – needs improvements as it does not cover some areas.
 Fixed wiring test report – was conducted in March 2015
 PAT testing records - 28th Feb 2017 by a 3rd party company.
 First aid records – 3 first aiders in total
 Accident records – 2 last year and 1 this year (not riddo)
 Fork lift inspection records – was seen in file
 Spill response clean up and emergency response training
 Ladder inspection records – ladder handling procedures are in place and is inspected prior to use.
 PPE records – safety boots, hi visibility jackets, gloves,

Any other comments: None

<p>A: Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: singed policy was available</p>
<p>B: Are the policies included in worker’s manual?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: some information were available</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Was included in the visitor form</p>
<p>E: Is a medical room or medical facility</p>	<p><input type="checkbox"/> Yes</p>

<p>provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> No Details: There was a separate room available for Chemicals, PPEs and for the first aid boxes.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: first aiders are available</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Details: n/a – no transport provided by the site</p>
<p>H: Secure personal storage space is provided for workers in their living space and is fit for purpose</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Details: n/a no dormitory provided by the company</p>
<p>I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: but this does not including workers doing overtime, etc</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources</p>	<p><input checked="" type="checkbox"/> Yes – however there are rooms for improvements <input type="checkbox"/> No Please describe</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe</p>

Non-compliance:

1. Description of non-compliance:

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

Finding 1

Concerns to asbestos -
No asbestos inspection certificate was available at the time of the audit. There were some asbestos noted just outside of the building. Management was not sure where it has come from but believe that it belongs to the landlord.

Finding 2

No proper fire risk assessment was undertaken at the time of the audit. There was a fire risk assessment available in a general format of job risk assessment with the concerns of severity and likelihood hence it has not covered all concerns (eg. There was a fire door open inwards, a missing emergency light which were not taken to consideration)

Finding 3

Risk assessments were not included of the concerns such as exposing to potential dusty environment while doing some jobs, such as removing computers. There was a workstation available with a dust booth however it has not been used as regular as needed; these kind of issues would create potential risk to the health. Further no records were available for cleaning of the dust filer.

Local law and/or ETI requirement

- Health & Safety at Work Act 1974
- Management of Health & Safety at Work Regulations 1992
- The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR)
- Employers' Liability (Compulsory Insurance) Act 1969:
- Personal Protective Equipment at Work Regulations 1992
- Plus assorted other Regulations (COSHH, PPE, PUWER, CAW, etc.)
- Noise at Work Regulations 1989

Recommended corrective action:

Finding 1

Ensure Asbestos report available for auditor review

Finding 2

Complete full fire risk assessment (covering all applicable area) using a correct format of reporting.

Finding 3

Ensure risk assessments update as applicable.
Dust booth shall be operated to ensure minimal risk to employees' health conditions.
Dust filer shall be clean and records shall be available for the same.

Objective evidence observed:

(where relevant please add photo numbers)

Observations from site tour, H & S records review process + interviews with the management / employees

Observation:

Description of observation:

Broken pallet was noted during the site tour and same was removed at the same time of the audit.

Objective evidence observed:

Observation from the site tour

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:

It was disclosed that the youngest age for recruitment is 18 years old. A site tour revealed a workforce which appeared to be above the legal age. A selection of the employees were interviewed and asked about the proof of age documentation that they provided when work started.

The interview with the management confirmed that they are aware of applicable regulations in this regard; therefore pre IDs are checked and copies kept in employees' personal files. A review of employees' documentation showed all employees' files are up to date with the age of employees' verified.

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

Details:

- Passport copies
- ID copies
- Copies of birth certificates
- Copies of Driving licences

Any other comments: none

A: Legal age of employment	16 with restrictions
B: Age of youngest worker found:	18+
C: Children present on workfloor but not working at time of audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Workers under 18 subject to hazardous	<input type="checkbox"/> Yes

work assignments? (Go to clause 3 – Health and Safety)	<input checked="" type="checkbox"/> No If Y give details
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Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <ul style="list-style-type: none"> • The Children (Protection at Work) Regulations 1998 • Working Time Regulations 1998 as amended • Health & Safety (Young Persons) Regulations 1997 • Local Authority Bye Laws • The Management of Health and Safety at Work Regulations 1999 (replaced the Health & Safety (Young Persons) Regulations 1997) • Generally, employment of children under the age of 16 years is prohibited although in exceptional circumstances 14 year olds may be permitted by local authorities to work on specified light duties. <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>
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Good Examples observed:

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

Wages are paid monthly, on or before the 28th of each month by BACS. Production employees are on hourly rates and office / managers are salaried. Majority of employees used to be on the National minimum wage however as a result of the gap analysis audit that they had, the company decided to increase the wages to National Living Wage regardless the age of the employees. The new contracts have been introduced to employees, with the new pay rates and signed copies were kept on site; however pay evidences for the same could not be verified as the first pay(after the increase) will be paid on the 25th of August.

Some employees receive above the living wage due to the job, skills and the experience.

Pay review inspection and the interviews confirmed that pay is on time, accurate and pay slips are given with all applicable information prior to wage. Further there are no deductions taken from wages other than those legally required (TAX, NI, Pension)

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

- Details:
- Pay slips
 - Payroll
 - Working hours records
 - Interview with the employees and the management

Any other comments: none

Non-compliance:

1. Description of non-compliance:

Objective evidence

<input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:	observed: (where relevant please add photo numbers)
Local law and/or ETI requirement: National Minimum Wage Act 1998 2017 (current rate) Over 25, £7.50 per hour 21 and over: £7.05 per hour 18 to 20: £5.60 per hour Under 18: £4.05 per hour Apprentice: £3.50 per hour Recommended corrective action:	

Observation:	
Description of observation: Wages have been increased to NLW rates (regardless the age) with effect from August 2017; however no pay records were available to confirm the same (at the time of this audit) as first pay after the increase, would take place on the 25 th of August.	Objective evidence observed:

Good Examples observed:	
Employees are provided with some good benefits which induces 22 holidays in a year, a small bonus of up to £100 in Christmas time, social events such as go-karting, Christmas meal, etc.	Objective Evidence Observed:

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: Maximum up to 48hrs a week	36,5 - 40hrs a week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: not set	Not set but some have worked up to 14hrs a week occasionally.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: National Minimum Wage	7.50 or above	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	Act 1998 2017 (current rate) Over 25, £7.50 per hour 21 and over: £7.05 per hour 18 to 20: £5.60 per hour Under 18: £4.05 per hour Apprentice: £3.50 per hour		
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Flat rates – as above can be paid	1.25 for weekdays 1.5 for weekend	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: <p style="text-align: center;">(Click here to return to Key Information)</p>		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: If No , why not?	/	
C: 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)	30 (10 from each pay period of June, July 2017 and Nov 2016)	
D: Are there different legal minimum wage grades? If Yes , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If Yes , please give details: National Minimum Wage Act 1998 2017 (current rate) Over 25, £7.50 per hour 21 and over: £7.05 per hour 18 to 20: £5.60 per hour Under 18: £4.05 per hour Apprentice: £3.50 per hour
E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	If No , please give details:
F: For the lowest paid production workers, are wages paid for standard/contracted	Lowest Wages found: <i>Note: full</i>	Please indicate the breakdown of workforce per earnings: many are on the NLW, few were on £8 per

<p>hours (excluding overtime) below or above the legal minimum?</p>	<p><i>time employees and please state hour / week / month etc. As per NLW / NMW per hour</i></p>	<p>hour and supervisors are on different rates.</p>
	<p><input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above</p>	<p>___% of workforce earning under min wage ___% of workforce earning min wage ___% of workforce earning above min wage</p>
<p>G: Bonus (amount specify)</p>	<p>Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i></p>	
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>TAX, NI, Pension</p>	
<p>I: Have these deductions been made? Please list all deductions that have/have not been made.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please describe</p>	
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:</p>	
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:</p>	
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:</p>	
<p>If yes, what was the calculation method used.</p>	<p><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</p>	

	<input type="checkbox"/> Fairtrade Foundation Other – please give details:
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

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:

The site has a clock in/out card system for time attendance. There is only one shift operating on site which runs from 8.30am to 5pm from Monday to Friday. All receive 15min X 2 paid breaks + 30 minutes unpaid lunch break in a day. Weekly working hours are generally from 36.5hrs to 40 in a week, depending on the contract.

The interviews confirmed that overtime is voluntary when available and is paid at a premium rate of 1.25 for weekdays and 1.5 for weekends.

Working hours were reviewed for 3 pay period (June, July 2017 and November 2016) and highest hours were as below. From 23rd June to 21st July, 4 employees had worked overtime and highest was 29.5 a month and 14hrs a week. From 22nd May to 22nd June, 9 employees had worked overtime and highest was 32.5 a month and 14hrs a week. From 24th October to 20th November 2016, 7 employees had worked overtime and highest was 43.5 a month and 16hrs a week.

No excessive hours were noted and all had received at least 1 or 2 rest days in a week.

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

Details:

- Time records
- Working hours summary reports
- Pay slips
- Hand book
- Memos near clock in/out points, on notice board, etc
- Interview with the management / employees

Any other comments: none

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement:

- Working Time Regulations 1998, as amended
- Regulations are in force regarding maximum working hours (48 hours per week average over 17 weeks) and rest period.
- There is currently an "opt-out" provision.
- Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- The Working Time (Amendment) Regulations 2002" Maximum working time for young workers
- 5A. - (1) A young worker's working time shall not exceed - Eight hours a day, or 40 hours a week.

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation:

Description of observation:

Voluntary nature of overtime could be affected as contract has a clause which explained that "you may be required from time to time, to work on Saturday mornings as per the need of the business." , this was recorded as an observation as all employees confirmed overtime as voluntary.

Objective evidence observed:

Contract review process + interviews with the employees

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Working hours' analysis

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

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

Systems & Processes

<p>A. What timekeeping systems are used: time card etc.</p>	<p><i>Describe: clock in /out</i></p>						
<p>B: <i>Is sample size same as in wages section</i></p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If N, please give details: total hours were checked for all employees and daily / weekly hours were checked for highest hours worked employees checked compliance to working time directive and ethical codes 6.</i> </p>						
<p>C: Are standard/contracted working hours defined in all contracts/employment agreements?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>	<p><i>If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.</i></p> <p>Details</p>					
<p>D: Are there any other types of contracts/employment agreements used?</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>	<p><i>If YES, please complete as appropriate:</i></p> <table border="1" data-bbox="790 1344 1508 1444"> <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> <p>If "Other", Please define:</p>		<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				
<p>E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>	<p><i>If Y please %detail hours, % and types of workers &affected and frequency</i></p> <p>Details:</p>					
<p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where</p>	<p>Please select all applicable:</p> <p> <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No </p>		<p>Is this allowed by local law?</p> <p> <input type="checkbox"/> Yes <input type="checkbox"/> No </p>				

the law allows)?	If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
Standard/Contracted Hours worked		
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	14hrs a week
J: Combined hours (standard/contracted plus= total) 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours	__1__ driver	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A – there is no legal requirement to OT premium	Please give details of normal day overtime premium as a % of standard wages:
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please describe % of workers & frequency: 1.25 for weekdays 1.5 for weekends

<p>O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (<i>May be standard wages above minimum legal wage, with no/low overtime premium</i>) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Please explain any checked boxes above e.g. detail of consolidated pay CBA or Other</p>	
<p>Please explain any checked boxes above</p>	

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:

The company has an equal opportunity policy in place. The management is aware of local and international laws on non-discrimination.

All employees interviewed commented that they were treated equally and that the camaraderie here was one of the reasons they liked to work. There was no evidence of discrimination of any kind reported.

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

Details:

Equal opportunity policy

Hand book

Interview with the management and employees

Any other comments: none

<p>A: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i></p>	<p>Male: <u>100</u> % Female <u> </u> %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst</p>	<p>#: 0</p>
<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p><input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement</p>

Professional Development

A: What type of training and development are available for workers?	Please give details
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B: Are HR decisions on e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: no issues noted from the interviews
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Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <ul style="list-style-type: none"> The Equality Act 2010 (The Equality Act brings together over 116 separate pieces of legislation into one single Act.) <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</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>
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Good Examples observed:

<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>
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8: Regular Employment Is Provided

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

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

The majority of the employees working here are directly employed by the company.

During the personal files and other document review process, it was found that contracts of employment had been issued to all permanent employees as appropriate. All employees interviewed stated they understood their terms and conditions.

Statutory benefits are paid to employees as required by the law and some benefits such as annual holiday were above the regulation requirement.

Example of SSP also seen during the audit.

There are a few (up to 4) agency employees also working during the peak season to cover the holiday and urgent business needs but none was available on the audit day.

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

Details:

Employment contracts

Hand book

Holiday records
 Sick pay records
 TAX / NI deduction records
 Interview with the employees and the management
 Application form,
 Personal and emergency info form
 Bank account / payroll info form

Any other comments: none

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: The Employment Rights Act 1996 is a United Kingdom Act of Parliament passed to codify the existing law on individual rights in UK labour law. Previous statutes, dating from the Contracts of Employment Act 1963, included the Redundancy Payments Act 1965, the Employment Protection Act 1975 and the Wages Act 1985. It deals with rights that most employees can get when they work, including unfair dismissal, reasonable notice before dismissal, time off rights for parenting, redundancy and more. Employees have a right under s94 of the Act not to be unfairly dismissed</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>
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Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions If any are unchecked, please describe finding and specific category(ies) of workers affected:
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes Please describe details and specific category(ies) of workers affected
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other
C: If any checked, give details:	/

Migrant Workers:

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

A: Type of work undertaken by migrant workers:	n/a as no migrant employees.
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used:0

	Total number of (outside of local country) recruitment agencies used	
C: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: n/a	Observations
D: Are Any migrant workers in skilled, technical, or management roles Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes number and example of roles	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other
C: If any checked, give details:	/

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	01 (but no agency employees were available on the audit day) And names if available: Best Connection
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 checked="" type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details : there was not a legal contract at the time of the audit.
E: 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: no any evidences available at the time of the audit however management commented that they have already asked from the agency, their SEDEX report

Contractors:	
<i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: If Y, how many contractors are present
B: If Yes , how many workers supplied by contractors	/
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: not included
D: If Yes , please give evidence for contractor workers being paid per law:	/

8A: Sub-Contracting and Homeworking:

8A: Sub-Contracting and Homeworking

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

As informed by the site management, there are no sub contractors or home workers used by the company.

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

If any processes are sub-contracted – please populate below boxes

<i>Process Subcontracted</i>	<i>Process 1</i>	<i>Process 2</i>
<i>Name of factory</i>		
<i>Address</i>		

<i>Process Subcontracted</i>	<i>Process 3</i>	<i>Process 4</i>
<i>Name of factory</i>		
<i>Address</i>		

<i>Process Subcontracted</i>	<i>Process 5</i>	<i>Process 6</i>
<i>Name of factory</i>		
<i>Address</i>		

Details:

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI /Additional Elements 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/Additional elements 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>

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

contracting?	<input type="checkbox"/> No If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details:		
B: Number of homeworkers	Male:	Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		
D: If through agents, number of agents			
E: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
F: How does site ensure worker hours and pay meet local laws for homeworkers?			
G: What processes are carried out by homeworkers?			
H: Do any contracts exist for homeworkers	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
I: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: no such published / anonymous channels of 3rd party.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>n/a</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>/</p>
<p>D: Is there a grievance mechanism in place for:</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other Details:</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details</p>
<p>F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details :</p>
<p>G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No Please give details : there was not evidences available at the time of the audit</p>

whistle blowing mechanism	
H: Is there a published and transparent disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain – policy include in the hand book
I: If yes, are workers aware of these the disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details – verified from interviews
J: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details

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

Current systems:

The company is fully aware of its obligation regarding harsh or inhumane treatment to employees. Policies against physical abuse or discipline / grievances and any other forms of intimidation are outlined in the handbook and referred to in contracts

The disciplinary procedure includes provision for verbal, first and final warnings leading to dismissal, with more severe penalties in respect of any gross misconduct.

It is noted that the facility operates with a friendly and open approach and there are no reported cases of inappropriate behaviour by management or workers.

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

Details:
 Non harassment policy
 Grievances procedure
 Disciplinary procedures
 Sample file review
 Interview with the employees / management

Any other comments: none

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: Employment Rights Act 1996 Employment Rights Act 1996 • ACAS Code of Practice on Disciplinary and Grievance Procedures</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>

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

During the interview with the management, it was noted that they are well aware about the information on the eligibility to work in the UK including requirement including the responsibilities of checking passports, visas and immigration documentation. Further, company has completed DBS checks for all of their staff due to the service that they provide for their clients.

Sample of files were reviewed and all had correct records copied in file.

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

Details:

Passport copies

ID card copies

Birth certificates

Resident cards

Any other comments: None

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI /Additional Elements requirement:

- The Immigration, Asylum and Nationality Act 2006
- Nationality, Asylum and Immigration Act 2002
- Asylum and Immigration Act 1996

Recommended corrective action:

Observation:	
<p>Description of observation:</p> <p>Local law or ETI/Additional Elements 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>

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

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

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

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

10B2.2 The supplier should be aware of and comply with their end clients’ environmental requirements.

Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems:

n/a

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

Details:

Any other comments: None

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:

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:

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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:

Production site has good environmental policies in place and is complied for ISO14001 standard for environmental. There is no emission to air or pollution to water from the process that they carry out.

The company hold relevant license for the process that they handle. Incoming goods and outgoing goods are handled in a very efficient way having all applicable information in a computerised system.

There is not a significant waste generated by the company from the process they handle. The site refurbished the products (whichever they can) for reselling and the rest are segregated and send to different service providers for further recycling.

However a couple of concerns were noted from the audit and have been recorded as non conformance under the section below.

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

Details:

Interview with the employees / management
 Environmental policy / manual review records
 Waste collectors info
 Environmental licence
 Incoming /outgoing goods records

Any other comments: none

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
 NC against customer code:

- There was a small scale of general waste noted which consider as contaminated (some plastic/ chemical mix cleaning cloths and paper). These waste are then taken to a large skip which kept outside the yard and this skip is shared with some other units hence site has no direct control on this. Further company did not have general waste collector’s licence at the time of the audit therefore it could not be verified whether these waste would go for land filling or further recycling.
- Compliance to Ozone –depleting substances regulation 2015 could not be verified.

There was a aircon unit available and management commented that air conditions unit was recently installed (within last two years); however no records were available at the time of the audit to verify the same.

Local law and/or ETI/Additional Elements requirement:

The Environmental Protection Act 1990 (EPA) is an Act of the Parliament of the United Kingdom that as of 2008 defines, within England and Wales and Scotland, the fundamental structure and authority for waste management and control of emissions into the environment.

ODS regulation 2015.

Recommended corrective action:

- Ensure all waste are handled appropriately where possible. All waste collectors licence shall be kept on site.
- Company shall have records in place to show compliance to ODS regulation 2015

Objective evidence observed:

(where relevant please add photo numbers)
 Observation from site tour and environmental records review process

Observation:

Description of observation:

Objective evidence observed:

<p>Local law or ETI/Additional elements requirements:</p> <p>Comments:</p>	
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Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Responsible for Environmental issues (Name and Position):	Mark Wilding / Director
B: 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 Details: records were seen
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: valid certification was seen
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available? Yes
E: 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 Details: minimal impact to environment
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: not applicable for this type of business
H: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details: this is also covered as a party of ISO14001 audit
J: 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: however an issue was noted and raised as a n/c due to lack of records on site.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input type="checkbox"/> Yes <input type="checkbox"/> No Details: this section is not applicable for this site due to the type of product they handle.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: in general however an issues was noted and raised as a n/c.
M: Facility has a system in place for accurately measuring and monitoring consumption of key utilities of water,	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: records were seen during the audit

energy and natural resources that follows recognised protocols or standards		
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility	<input type="checkbox"/> Yes <input type="checkbox"/> No Details: no sub-contracting	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: <u> 2016 </u>	Current Year: Please state period: <u> 2017 </u>
Electricity Usage: <i>Kw/hrs</i>	Was reviewed during the audit	Was reviewed during the audit
Renewable Energy Usage: <i>Kw/hrs</i>	/	/
Gas Usage: <i>Kw/hrs</i>	Was reviewed during the audit	Was reviewed during the audit
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	/	/
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> • Local water • • 	<ul style="list-style-type: none"> • Local water • •
Water Volume Used: <i>(m³)</i>	Water bills were available	Water bills were available
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
Water Volume Discharged: <i>(m³)</i>	No water used for manufacturing only for general usage	No water used for manufacturing only for general usage
Water Volume Recycled: <i>(m³)</i>	n/a	n/a
Total waste Produced <i>(please state units)</i>	Only for general usage	Only for general usage
Total hazardous waste Produced: <i>(please state units)</i>	Recorded in the automated system	Recorded in the automated system
Waste to Recycling:		

<i>(please state units)</i>		
Waste to Landfill: <i>(please state units)</i>	This was not available at the time of the audit	This was not available at the time of the audit
Waste to other: <i>(please give details and state units)</i>	Recorded in the automated system	Recorded in the automated system
Total Product Produced <i>(please state units)</i>	Was recorded in the automated system	570 tonnes

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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:

The company does have below policies

- Anti – Bribery policy – the policy includes the information of what covers, what is a Bribery, Entitlements and responsibility, Gifts, Hospitality, Promotional and other business expenditure, facilitation payment, recording the receipt and giving of gifts , charitable donations. The policy also includes the information of reporting concern, confidential and safe reporting procedure and training and implementation.
- Whistle blowing policy - this policy open for both employees and any other interested parties including public. The policy includes the areas of what covers, responsibilities, procedures, escalating your concern.
- The company director has received an online training on anti bribery, records were seen during the audit.

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

Details: anti bribery policy
 Whistle blowing policy
 Interview with the management and employees
 VAT payments

Any other comments:
 None

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional Elements requirement: the Bribery Act 2010 introduces four new categories of offence:-</p> <ul style="list-style-type: none"> · Offering, promising or giving a bribe to another person · Requesting, agreeing to receive or accepting a bribe from another person · Bribing a foreign public official · Failing to prevent bribery (this applies to companies ("the corporate offence")) <p>The Act has wide territorial scope. Acts of bribery committed by anyone in the UK or, if overseas, by a British citizen or any other person with a close connection to the UK can be prosecuted.</p> <p>The corporate offence applies to any UK-incorporated entity (or UK registered partnership) and any overseas entity that carries on a business or part of a business in the UK.</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/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>
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Good examples observed:	
Description of Good Example (GE):	Objective Evidence Observed:

A: 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: policy available for any interested parties
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues	Top management dealing with the issues at this small facility.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: there is no such requirement from the site currently.

Other Findings Outside the Scope of the Code

Not disclosed

Community Benefits

(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)

Not disclosed

Appendix 1

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

Not Applicable please x

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

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

ETI Code / Additional Elements

Customer's Supplier Code equivalent

0.A. Universal Rights covering UNGP

0.A. Universal Rights covering UNGP

0.A. Guidance for Observations

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

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

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

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

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

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

0.B. Management Systems & Code Implementation

0.B. Management Systems & Code Implementation

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

0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.

<p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<p>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<p>ETI 3. Working conditions are safe and hygienic</p>	<p>ETI 3. Working conditions are safe and hygienic</p>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4 Accommodation, where provided, shall be clean,</p>	

<p>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.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>ETI 4. Child labour shall not be used</p>
<p>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.</p>	
<p>ETI 5. Living wages are paid</p>	<p>ETI 5. Living wages are paid</p>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. 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.</p>	
<p>ETI 6. Working Hours are not excessive</p>	<p>ETI 6. Working Hours are not excessive</p>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards. 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</p>	

<p>workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers’ organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers’ health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<p>ETI 7. No discrimination is practised</p>	<p>ETI 7. No discrimination is practised</p>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<p>ETI 8. Regular employment is provided</p>	<p>ETI 8. Regular employment is provided</p>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p>	

<p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<p>8A: Sub-Contracting and Homeworking</p>	<p>8A: Sub-Contracting and Homeworking</p>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<p>ETI 9. No harsh or inhumane treatment is allowed</p>	<p>ETI 9. No harsh or inhumane treatment is allowed</p>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p>10. Other Issue areas: 10A: Entitlement to Work and Immigration</p>	
<p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<p>10. Other issue areas 10B2: Environment 2-Pillar</p>	
<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including</p>	

<p>having necessary permits. 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. <i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
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Environment Section	Environment Section
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<p>B.4. Compliance Requirements 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details). 10B4.7 Businesses shall make continuous improvements in their environmental performance. 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance. B4. Guidance for Observations 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
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Business Practices Section	
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<p>10C. Compliance Requirements</p>	
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10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

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

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

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

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

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

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

10C. Guidance for Observations

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

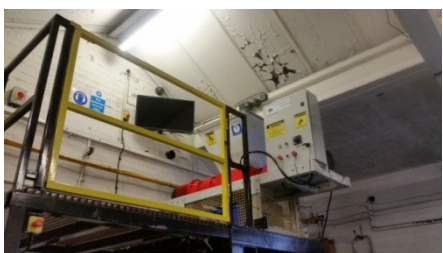
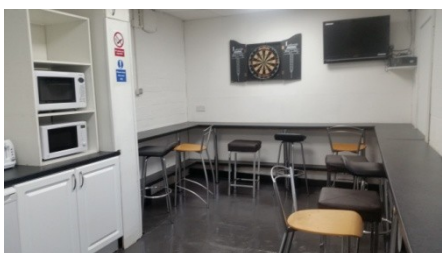

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.

Photo Form

		
<p>Entrance to Concept Management</p>	<p>Side view / car park</p>	<p>Goods in /out</p>

		
<p>Incoming goods</p>	<p>Incoming goods</p>	<p>Sorting area</p>

		
<p>Processing area</p>	<p>Testing area</p>	<p>Segregated products</p>

		
<p>Shredder</p>	<p>Resting area</p>	<p>Clock in/out and fire extinguishers</p>

		
<p>Smoking area</p>	<p>Spill kit</p>	<p>First aid box / eye wash unit</p>

		
<p>Chemical cupboards / COSHH/ MSDS</p>	<p>Fire door open inwards</p>	<p>Mix waste in general waste bin</p>



For more information visit: Sedexglobal.com

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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

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

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

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