



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: (only available on Sedex System)	ZC: 410914000	Sedex Site Reference: (only available on Sedex System)	ZS: 410927312	
Business name (Company name):	CV Mekar Asih Rotan			
Site name:	CV Mekar Asih Rotan			
Site address: (Please include full address)	Jl. Yudistira No.91 RT.006 RW.002, Desa/Kelurahan. Karangasem, Kec. Plumbon, Kab Cirebon, Provinsi. Jawa Barat 45155.	Country:	Indonesia	
Site contact and job title:	Saprudin, SH as CO / Owner			
Site phone:	6281280002401	Site e-mail:	official@mekarasihrotan.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	June 19-20, 2023			

Audit Company Name & Logo: PT. TÜV Rheinland Indonesia  Precisely Right.	Report Owner (payer): CV Mekar Asih Rotan
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

To confirm the validity of this report, please visit <https://www.sedex.com/audit-verifier/>

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 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): N/A

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

Lead auditor: Angga Wijaya APSCA number: RA 21703319

Lead auditor APSCA status: in good standing

Team auditor: N/A APSCA number: N/A

Interviewers: Angga Wijaya APSCA number: RA 21703319

Report writer: Angga Wijaya

Report reviewer: Elva Jiang

Date of declaration: June 20, 2023

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.

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
0B	Management systems and code implementation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	The ethical Code (such as the ETI Base Code for SMETA audits) are not provided to all employees.
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	1. It noticed that the facility was missing a certified Health and Safety Expert. 2. The facility has no P2K3 (Health and Safety Committee).
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
5	Living Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
6	Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None

8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None

General observations and summary of the site:

CV Mekar Asih Rotan's periodic audit assesses the facility's labor, ethics, occupational health & safety, and environmental practices, as well as supporting management systems, in comparison to the ETI Code criteria and any relevant legal requirements.

The inspection is scheduled for June 19–20, 2023. 1.5 person-days are provided by TUV Rheinland auditors for the onsite audit. It is a comprehensive full audit that includes every building the facility uses. During the audit, there were no integrity problems. Based on objective information gathered through management, staff, and employee interviews, relevant documents and records, and workplace observations.

Summary of Findings (positive and negative):

Positive:

1. The factory's commitment to respecting human rights was outlined in its policy.
2. The factory had established social policies, practices, and work instructions in order to abide by this code.
3. The steps taken in the factory to prevent forced labor.
4. Employees had the option to join a union if they so desired, but there was no union at the workplace.
5. No child labor was employed in the factory, according to an assessment of the personnel files, labor contracts, and on-site observations. The employee with the youngest age was 18.
6. Implemented time management procedures that let staff members volunteer for overtime
7. There was no proof of discrimination in terms of hiring, advancement, pay, benefits, discipline, or retirement. An anti-discrimination policy for hiring, compensation, promotion, and access to training was in place during the audit.
8. After conducting a document review, factory tour, management interview, and employee interview, the auditor verified that the factory did not use subcontracting or homeworking.

9. A review of the documents and employee interviews revealed that all of the workers on the site were Indonesian. The location established both an emergency response plan and a policy for environmental protection.

Negative findings:

1. The ethical Code (such as the ETI Base Code for SMETA audits) are not provided to all employees.
2. It noticed that the facility was missing a certified Health and Safety Expert.
3. The facility has no P2K3 (Health and Safety Committee).

Observation

Nil

Good Examples

Nil

**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:	CV Mekar Asih Rotan	
B: Site name:	CV Mekar Asih Rotan	
C: GPS location: (If available)	GPS Address: Jl. Yudistira No.91 RT.006 RW.002, Desa/Kelurahan. Karangasem, Kec. Plumbon, Kab Cirebon, Provinsi. Jawa Barat 45155. Indonesia	Latitude: -6.7023650 Longitude: 180.4888250
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: NIB: 812011420761 Issued on December 6, 2018, for long term	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of Rattan Basket, Indoor & Outdoor Furniture	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>CV. Mekar Asih Rotan is situated in Indonesia at Jl. Yudistira No. 91, Kel. Karangasem, Kec. Plumbon, Kabupaten Cirebon, Prop. Jawa Barat. The total building area that the factory occupies is around 2759 square meters, with the total land area being 13315 started square meters.</p> <p>Since 1993, they have operated out of the current location. Three structures can be seen, including a warehouse and two production floors (incoming material, inspection, sanding, cutting, accessories, finishing, and packing).</p> <p>Within the grounds, there is another separate building for support services like the canteen and clinics (the security office is in the same building). The facility's primary offerings are Rattan Baskets and Indoor & Outdoor Furniture.</p> <p>A health and safety committee has been established in the factory. Workers were not given transportation. The auditee makes an effort to create a welcoming and secure workplace.</p> <p>They had put in place firefighting tools like fire extinguishers and fire alarms. Auditee has made sure that the workspace has adequate ventilation, lighting, and temperature control. The auditee assigned the first aid officer and placed first aid kits in each location.</p> <p>There were evacuation plans posted on each floor, drinking water was available, and the area was clean.</p>	

	Production Building no.1	Description	Remark, if any
	Floor 1	Rattan process and office	Nil
	Is this a shared building?	No	
	Production Building no.2	Description	Remark, if any
	Floor 1	Indoor & Outdoor Furniture process	Nil
	Is this a shared building?	No	
	Production Building no.3	Description	Remark, if any
	Floor 1	Warehouse	Nil
	Is this a shared building?	No	
	Building no.4	Description	Remark, if any
	Floor 1	canteen building, security office and clinics security office	Nil
	Is this a shared building?	No	
<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: There were no large cracks in the production building.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: Stability Certificate dated April 25, 2023 (Valid for 5 years)</p>			
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer		

	<input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	None
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	There are 2 production lines with same process such as: Incoming material, Inspection, Sanding, Cutting, Accessories, Finishing and Packing. The main equipment used are Cross cut machinery, planner, single rip saw, spindle, power feeder, multi rip saw, bor vertical, table saw), moulding machines.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details N/A No accommodation is provided.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 07:55 A2: Day 1 Time out: 17:10	A3: Day 2 Time in: 08:05 A4: Day 2 Time out: 12:10	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1.5 Mandays (1 auditor for 1.5 days audit)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please 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 <input type="checkbox"/> No E1: 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)	Thohir Maksudi as Deputy Director		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	November 23-24, 2021		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There is no union present there.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	10	5	0	0	0	0	0	15
Worker numbers – female	13	0	0	0	0	0	0	13
Total	23	5	0	0	0	0	0	28
Number of Workers interviewed – male	4	1	0	0	0	0	0	5
Number of Workers interviewed – female	5	0	0	0	0	0	0	5
Total – interviewed sample size	9	1	0	0	0	0	0	10

A: Nationality of Management	Indonesian	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: <u>Indonesian</u> B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please describe how this may vary during peak periods: No peak season in the facility
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 _100%_ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration (management information)	D: _____% workers on piece rate D1: _____% hourly paid workers D2: 100% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: 100__% monthly paid D6: _____% other D7: If other, please give details:	

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	1 group of 4 workers	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 4	D2: Female: 2
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	None	
I: What did the workers like the most about working at this site?	No work pressure, on time payment, good facilities inside the factory.	
J: Any additional comment(s) regarding interviews:	No negative information was raised	
K: Attitude of workers to hours worked:	Favourable	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:		
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		

The factory agreed that TUV Rheinland auditor conducted confidential interviews with workers who were chosen freely without any influence by the factory management; 10 workers were randomly selected from different work floors for individual & group interviews; The workers interviews were conducted at showroom. The workers showed a cooperative attitude during the interview process. The effective evidence was collected by workers interview. Based on the workers interview, workers expressed their positive attitude to management and workplace. They agreed with the rules and management of the factory.

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

The works committee representatives confirmed that they were elected from management. They confirmed that they could talk to the workers about their problems and workers brought forth their suggestions and problems if any, to the committee members. Meetings were conducted regularly once in 3 months and the members could put forth the complaints to the management who would then solve the problem. The representatives were very positive about the management and stated that the management took prompt action to rectify any problem.

O: Attitude of managers:

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

The factory management was cooperative and demonstrated a willingness to improve all issues found during the audit

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

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:

Facility has human rights policy but there is no formal training given to any employee on the need to protect human rights. The terms and conditions for employees are stated in the employee handbook and workers are trained in the grievance procedure.

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

Details:

- Human rights policy
- Employee training records
- Worker interviews

Any other comments: Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Factory management has showed commitment to protect workers and human rights by establishing transparent social management system.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory management has appointed management representative for implementation of the human rights requirement of the standard. Name: Rizka Rahman Job title: HR Manager
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Local community can send email to factory without any fear of reprisals and workers can lodge their complains or concern through suggestion / complain boxes and through workers welfare committee.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Factory management has written recruitment procedure, as per procedure, no one can get workers information and information is secure with HR department. Workers interview also confirmed the same.

Findings		
Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/> Description of observation: None was observed Local law or ETI/Additional elements / customer specific requirement: N/A Comments: Nil		Objective evidence observed: N/A

Good examples observed:	
Description of Good Example (GE): None was observed	Objective Evidence Observed: N/A

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)	A1: Last year: 3_ %	A2: This year 3_ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days 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]	3	
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	C1: Last year: 3 %	C2: This year 3 %
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	3	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Per document review and management interview, no accident was occurred in the past 12 months	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	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]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months _0_% workers	I2: 12 months 0_% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months _0% workers	J2: 12 months _0% workers
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0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

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 facility has established Human Resources department and appointed Rizka Rahman as HR Manager to ensure the implementation of local laws and international labour standards requirements.
- The facility has written policies and procedure to address workers' wages and compensations and working hour records, health and safety etc.
- Facility management was found aware of local law requirements concerning, child labour, wages, hours of work, health and safety, environments etc. moreover facility obtains law updates from labour department and also has subscription of different law websites.
- Factory was maintaining workers personal files, wages and compensation records (Salaries, overtime, and leaves). Factory has installed finger scan system for recording working hours of the workers.
- Local government departments like Labour department is conducting annual inspections at the factory. The facility has obtained firefighting equipment inspection report from fire department, labour inspection report on "Form C" from labour officer, electrical installation fitness certificate from Electric Officer.
- The facility has displayed ETI Base code in native language at production floors and notice boards
- Facility is conducting internal audits on monthly basis to ensure proper implementation of local law and ETI code requirements.
- During audit it was found that company was communicate ETI code of conduct to their supply chain through email and courier.

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

Details:

- Social Compliance Management system Manual,
- Job Description of Compliance team
- Facility visit and check notices boards for communication of code with workers
- Internal audits record

Any other comments: Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No such cases
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies and procedures to discourage child labour, forced labour, discrimination etc. are displayed at notice board.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Factory management has developed all social policies such as; (child labour, Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics); these are communicated to workers via poster and trainings. Site tour, document review and workers interview confirmed effective implementation of policies.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The auditee has provided training to all managers and workers on the standards for forced labour, child labour, discrimination, harassment & abuse.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Through worker interview, they revealed that they were trained and learned about the policy. Training records were provided during the audit.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: No any recognised certification was found during the audit.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: One manager was responsible for HR matters.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Thohir Maksudi as Deputy Director was responsible for implementation of the Code.

I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Factory has maintained Recruitment policy and procedure and implemented, as per policy, all workers information is secured and confidential and does not disclose to anyone.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Recruitment policy and procedure are maintained and implemented, as per policy, all workers information is secured and confidential and does not disclose to anyone
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment procedure was established. Risk list was available to review, which included the effectiveness of the policy and procedure of personal privacy information confidentially.
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 L1: Please give details: All issues identified in risk assessment, re-addressed and mitigation taken to resolve issues through management review meeting
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Factory management has supplier/subcontractor evaluation procedure, factory has mechanism to select suppliers on different parameters, like, quality, capacity, on time delivery and social management system, which is cross checked during supplier audit at their premises.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided the lease contract and state-owned land use certificate for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory provided the ownership certificate copy for review. The company obtain free, prior and informed consent though internet.

P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The property certificates were provided during audit.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The facility agreed that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No illegal land for facility building or expansion of footprint.

Non-compliance:	
1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: The ethical Code (such as the ETI Base Code for SMETA audits) are not provided to all employees. Local law and/or ETI requirement: ETI requirement: ETI requirement 0.B.4 Suppliers are expected to communicate this Code to all employees. Recommended corrective action: It was suggested to management that all employees receive Ethical Code training.	Objective evidence observed: Per employees' interview

Observation:	
Description of observation: None Local law or ETI requirement: N/A Comments: Nil	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE): None	Objective evidence observed: N/A

1: Freely Chosen Employment

[\(Click here to return to summary of findings\)](#)

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:

- The factory has a policy which prohibits forced labour and this was available for review.
- There was a formalised application procedure which states that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
- The employee handbook – given to all workers on joining, states that workers within their probation period are free to leave with one day written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- Security guards must not prevent workers from leaving the premises outside of working hours and where they are conducting searches that this is at the request of management, is done on a sample basis and is performed discretely and without significant delay to workers leaving at the end of shift. The above was confirmed in management and worker interview.

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

Details:

- Personnel files (all were checked)
- Resignation records
- Factory rules
- Employee handbook
- Management and worker interview

Any other comments: Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- ☐ Yes
☒ No

A1: If yes, please give details and category of workers affected:

B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: 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 D1: Please describe finding: The factory did not restriction workers' freedom to terminate employment. Worker could freely resign after communication with management or fill resign application form in advance of 30 days.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: 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 F1: Please describe finding: The factory did not restrict workers' freedom and workers could leave the factory freely after shift ends.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: NA
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Regular training and new employees training, including the risks of forced/trafficked labour was conducted to all the employees.

Non-compliance:

1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None Local law and/or ETI requirement N/A Recommended corrective action: Nil	Objective evidence observed: N/A
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Observation:	
Description of observation: None Local law or ETI requirement: N/A Comments: Nil	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE): None	Objective evidence observed: N/A

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

[\(Click here to return to summary of findings\)](#)

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

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:

- Factory has defined freedom of association policy and procedure in its social compliance manual, as per policy respects the just, legal, ethical and social rights, facilities and needs of all employees purely on non-discriminatory basis, all employees of the company possess freedom and right to associate and collectively bargain by just, ethical and legal means to protect their rights.
- Currently there is no worker union; however, facility has constituted workers committee as a parallel means, which compliance with the legal requirement.
- Factory has constituted a Workers Management Council, comprising of 6 workers. Workers representatives were elected by the workers through show of hand process, while management representatives were nominated by the management.
- Workers committee meets monthly and discuss workers issues and provide suggestion to management,

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

Details:

- Freedom of association policy and procedure
- Worker representative meeting records
- Interview with worker committee members
- Interview with workers

Any other comments: Nil

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

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

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The workers' representatives carried out the communication meeting with management regularly D2: Is there evidence of free elections? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Worker representatives can carry out function without interruption and take advantage of factory facilities.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker representative	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 14 March 2023
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last meeting was held on dated 13-06-2023, and Meeting minutes are posted at production floors and available to workers and Last meeting topics covered were Minimum wages.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA N/A	M2: ____% workers covered by worker rep CBA N/A
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None Local law and/or ETI requirement N/A Recommended corrective action: Nil	Objective evidence observed: N/A

Observation:	
Description of observation: None Local law or ETI requirement: N/A Comments: Nil	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE): None	Objective evidence observed: N/A

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

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

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:

- Factory has defined Health and Safety policy and procedure as per policy is to provide employees with neat and clean, safe and healthy environment. Company's facilities include availability of edible items including potable water, separated toilets, tidy and unpolluted air, noise safety, adequate lighting, installation of firefighting facilities, first aid and other emergency equipment and related drills / trainings''.
- Facility has appointed Rizka Rahman as Safety officer to ensure proper implementation, monitoring and training of H&S requirements.
- Facility has established Emergency Action Committee with members selected from all departments.
- Health and safety committee meets quarterly, discusses health and safety issues, and provides their recommendation to management for rectification.
- Factory has obtained firefighting equipment inspection certificate from fire department and according to this certificate factory has installed sufficient firefighting equipment in accordance with local law.
- The factory conducts evacuation drill in the factory
- During site visit all firefighting equipment were found properly maintained and accessible. Facility has trained fire fighters.

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

Details:

Health and safety policy and procedure.
 Certificate of building stability
 Electrical installation inspection report
 Evacuation drill records
 Firefighting equipment inspection certificate
 EHS trainings like first aid and fire fighting
 Injury and accident records for the year 2023.
 Machineries and equipment inspection reports.

Test reports of drinking water

Any other comments: Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory has developed health and safety policies and procedures in social manual, which were communicated to all workers through display on notice board.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Factory management has included all social policies including health and safety policy in the workers manual.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No any structural additions were found during the audit
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Factory management provides orientation before leaving to plant visit and PPE is provided to visitor.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details A medical room is available for workers who meet legal requirements.
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: Factory management has trained first aider and qualified first aider found available in each production floor.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport was provided by the factory
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A H1: Please give details: Factory did not provide dormitory for workers.

I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Health and safety risk assessment procedure was established and risk identification, assessment and control action list had worked out. The factory provided the risk assessment list for reviewing and effective actions were recorded.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory provide construction project completion environment protection acceptance approval for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Factory management has system and team to communicate with customers and implements their environmental requirement in the facility.

Non-compliance:

1. Description of non-compliance:

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

It noticed that the facility was missing a certified Health and Safety Expert.

Local law and/or ETI requirement

Local law:

Labor Minister Regulation No. PER.04/MEN/1987 on Workplace Health and Safety Committee and Appointment of Occupational Safety Expert (1987), Art. 3(2): The secretary of Health and Safety Committee should certified General Health and Safety Expert from concerned company

ETI requirement:

ETI requirement 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

Recommended corrective action:

It is suggested that the factory apply a certified General Health and Safety Expert.

Objective evidence observed:

Per document review and Management interview.

2. Description of non-compliance:

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

The facility has no P2K3 (Health and Safety Committee).

Local law and/or ETI requirement

Local law:

Labor Minister Regulation No: PER.04/MEN/1987 on Workplace Health and Safety Committee and Appointment of Occupational Safety Expert (1987), Art. 2 (1) Every workplace by employers or managers of certain criteria required to

Per document review and Management interview.

establish P2K3. (2) Where the work referred to in paragraph (1) is: a. workplaces where employers or managers employ 100 people or more; b. workplaces where employers or managers employ fewer than 100 people, but the use of materials, processes and installations will have a substantial risk of explosion, fire, poisoning and radioactive radiation.

ETI requirement:

ETI requirement 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

Recommended corrective action:

It was suggested to management create a P2K3 team.

Observation:

Description of observation: None

Local law or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:

N/A

Good Examples observed:

Description of Good Example (GE):
None

Objective Evidence Observed:

N/A

4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory has established effective recruitment policy to verify the workers' ages during the recruitment. All applicants had to fill application form during recruiting, and all information identified in the application form should be verified.
2. Recruitment policy had clearly defined that the factory was prohibited to employ the child labour whose age less than 18 years old. The policy of child labour remedy had also established.
3. The factory kept valid and sufficient age information such as copies of ID cards or other documents with employment history.
4. Personal files showed that no child labour or young worker was identified in the factory.

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

Details:

Recruitment policy
Personal files
Worker interview

Any other comments:

N/A

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

E: Are workers under 18 subject to hazardous work assignments?
[\(Go to clause 3 – Health and Safety\)](#)

☐ Yes
☐ No
 E1: If yes, give details
 N/A, there was no worker under 18

Non-compliance:

1. Description of non-compliance:

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

**Objective evidence
 observed:**
 N/A

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Observation:

Description of observation:
 None

**Objective evidence
 observed:**
 N/A

Local law or ETI requirement: N/A

Comments: Nil

Good Examples observed:

Description of Good Example (GE):
 None

**Objective Evidence
 Observed:**
 N/A

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility minimum wage in compliance with Indonesian law requirement which basic wage received by employees is IDR 2.430.780,83/month for 2023 period.
2. All employees were paid on 30th of following month by cash and each employee signed and confirmed for wages. The calculation period was from the 1st day to the last day of the calendar month.
3. All overtime hours are conducted based on volunteered, employees may decline or refuse for working overtime. The overtime calculation system is 150% for the 1st hour and 200% for the succeeding hours, in compliance with the legal requirements.
4. The labour contract of 10 employees were provided for review. The working hours, basic wage and pay period were clearly stated in it. The information in the labour contract was understandable and complied with local regulation and ETI code.
5. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment.
6. No deduction from wages was made as a disciplinary measure confirmed by payroll record, policy review and worker interview.
7. The required social security insurance payment contribution was also provided for review. It appeared that the facility covered all employees with required social security and regularly pay. The facility also provides legal required benefit to all employee, these include sick leave, casual leave and female employees stated receiving maternity and menstruation leaves.

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

Details:

Local legal minimum wage document
Payroll records
Attendance records
Social insurance receipt
Labour Contract
Worker interview

Any other comments: N/A

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:

N/A

Observation:

Description of observation: None

Local law or ETI requirement: N/A

Comments: Nil

Objective evidence observed:

N/A

Good Examples observed:

Description of Good Example (GE): None

Objective Evidence Observed:

N/A

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 40 hours per week	A1: 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 18 hours per week	B1: 0 hours per week	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: IDR 2.430.780,83/month	C1: IDR 2.430.780,83/month	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Regular 150% for the first hour, 200% for the second and third hours, rest day and holiday 200% for regular hours, 300% for the first hour exceeding regular hours and 400% for the second and all following hours exceeding regular hours	D1: Regular 150% for the first hour, 200% for the second and third hours, rest day and holiday 200% for regular hours, 300% for the first hour exceeding regular hours and 400% for the second and all following hours exceeding regular hours	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
A1: If No , why not?	N/A	
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	<p>Twelve months of time attendance and payroll records from the period of June 2022 to May 2023 were provided by the facility.</p> <p>Three months of time records and payroll records for the period of November 2022, March 2023, and May 2023 are tested. 10 sampled employees in May 2023 (current paid month) 10 sampled employees in March 2023 (Random month) 10 sampled employees in November 2022 (Random month)</p>	
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details: NA
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details: NA
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. IDR 2.430.780,83/month

F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: 100_% of workforce earning minimum wage F3: ____% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: IDR 1000 per month <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>		
H: What deductions are required by law e.g. social insurance? Please state all types:	Personal contribution of social insurance, income tax.		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Personal contribution of social insurance 2. income tax Please describe: the deduction are permitted by law
		I2: Please list all deductions that have not been made.	1. N/A 2. Please describe:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The attendance records indicated that the punched in and out were calculated as work time.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A – No defined living wage		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK		

	<input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The periodic reviews of wages were conduct together with government regularly.
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 P1: Please give details: Confirmed by workers interview, management interview and factory policy.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility regular working hours is one working shift from 8:00 am to 4:00 pm with breaks from 12:00 pm - 1:00 pm Monday to Friday. On Saturday, the shift arrangement is 8:00 am to 2:00 pm
2. The facility uses a fingerprint system for timekeeping. Reportedly, they are doing two times a day, upon entering and upon leaving the facility.
3. Per worker interview, overtime was voluntary and compensated at a legal premium rate to workers.
4. 1 day off after 6 consecutive working days was guaranteed during this audit.
5. Based on management interview, there are no established peak and non-peak months of production.

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

Details:

- Employee manual
- Attendance records
- Daily production records
- Worker interview
- Management interview

Any other comments:
N/A

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:

N/A

Observation:

Description of observation: None

Local law or ETI requirement: N/A

Comments: Nil

Objective evidence observed:

N/A

Good Examples observed:

Description of Good Example (GE):
None

Objective Evidence Observed:

N/A

Working hours' analysis

Please include time e.g. hour/week/month
([Go back to Key information](#))

Systems & Processes

A. What timekeeping systems are used: time card etc.	Describe: fingerprint				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details NA				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		N/A			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:		F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Maximum number of days worked without a day off (in sample):				
	6 days				
Standard/Contracted Hours worked					
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:			
		N/A			

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	H1: If yes, please give details: N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 0 hours per day, 0 hours per week, 0 hours per month for November 2022. 0 hours per day, 0 hours per week, 0 hours per month for March 2023 0 hours per day, 0 hours per week, 0 hours per month for May 2023	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	_0_%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: It was clearly mentioned in the contract, confirmed during worker interviews
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: there is no overtime working hours found during sample month
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: there is no overtime working hours found during sample month.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	

complete the boxes where relevant.	<div>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</div> <div>N/A</div>
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<div> <input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) </div> <div>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</div> <div>the maximum weekly hours were 40 hours.</div>
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<div> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: </div>
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<div> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div>

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. Non-discrimination policy had been established, which stipulated that 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 and or political affiliation.
2. No evidence of discrimination was found in factory policies, rules, procedures and operation records.
3. Training on anti-discrimination was provided by the factory to all employees timely including the management and workers. All the employees knew the requirement clearly.
4. Employment contracts were provided for review, and they showed that male and female employees were on the same pay grade for same work.
5. No employee was required to do the examination of the hepatitis B virus and HIV.

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

Details:

Non-discrimination policy
Labour contract
Training records
Worker interview
Management interview

Any other comments:
N/A

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: _60_ % A2: Female _40_ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	7
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: N/A , No evidence of discrimination found
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Professional Development	
A: What type of training and development are available for workers?	First aid, social responsibility policy, Fire safety, Environment protection and so on. And all workers could get promoted if they performed well.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details:
--	---

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Local law and/or ETI requirement: N/A Recommended corrective action: Nil	Objective evidence observed: N/A

Observation:	
Description of observation: None Local law or ETI requirement: N/A Comments: Nil	Objective evidence observed: N/A

Good Examples observed:

Description of Good Example (GE): None	Objective Evidence Observed: N/A
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8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The recruitment policy which was established through national law and practice based on recognized employment relationship.
2. All the employees signed individual labour contracts inclusive of the agreed payment and terms in the recruitment process with the factory.
3. The factory had established a management system to identify and monitor the hiring, and the factory should implement system to enable adequate control over agencies with regards the above points and related legislation.
4. HR department took charge of the entire recruitment process. The relevant HR personnel had been trained and assessed on legal and ethical requirements and followed the recruitment management procedure.
5. Workers confirmed all terms of employment contract and signed by workers, and they retained one copy of labour contract themselves.
6. All working employees were recruited by the factory directly. There was no apprenticeship schemes or home worker was identified during the audit.

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

Details:

Recruitment policy

Labour contract
Worker interview
Management interview

Any other comments:
N/A

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence
observed:
N/A

Observation:

Description of observation: None

Local law or ETI requirement: N/A

Comments: Nil

Objective evidence
observed:
N/A

Good Examples observed:

Description of Good Example (GE):
None

Objective Evidence
Observed:
N/A

Responsible Recruitment

All Workers

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

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

	A1: 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 B1: 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 – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	No migrant workers found in the facility	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations: N/A

<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>D1: If yes, number and example of roles: N/A</p>
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
<p>A: Are there any fees?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
<p>B: If yes, check all that apply:</p>	<p><input type="checkbox"/> Recruitment / hiring fees</p> <p><input type="checkbox"/> Service fees</p> <p><input type="checkbox"/> Application costs</p> <p><input type="checkbox"/> Recommendation fees</p> <p><input type="checkbox"/> Placement fees</p> <p><input type="checkbox"/> Administrative, overhead or processing fees</p> <p><input type="checkbox"/> Skills tests</p> <p><input type="checkbox"/> Certifications</p> <p><input type="checkbox"/> Medical screenings</p> <p><input type="checkbox"/> Passports/ID's</p> <p><input type="checkbox"/> Work / resident permits</p> <p><input type="checkbox"/> Birth certificates</p> <p><input type="checkbox"/> Police clearance fees</p> <p><input type="checkbox"/> Any transportation and lodging costs after employment offer</p> <p><input type="checkbox"/> Any transport costs between work place and home</p> <p><input type="checkbox"/> Any relocation costs after commencement of employment</p> <p><input type="checkbox"/> New hire training / orientation fees</p> <p><input type="checkbox"/> Medical exam fees</p> <p><input type="checkbox"/> Deposit bonds or other deposits</p> <p><input type="checkbox"/> Any other non-monetary assets</p> <p><input type="checkbox"/> Other</p> <p>B1 – If other, please give details: N/A</p>
<p>C: If any checked, give details:</p>	<p>N/A</p>

Agency Workers (if applicable)	
<p><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></p>	
<p>A: Number of agencies used (average):</p>	<p>N/A</p> <p>A1: Names if available:</p>

B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A D1: Please give details: N/A
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A E1: Please give details: N/A

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 A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: If Yes , please give evidence for contractor workers being paid per law:	N/A

8A: Sub-Contracting and Homeworking

[\(Click here to return to summary of findings\)](#)

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

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

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

Note to auditor on homeworking:

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

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:

The factory did not utilize subcontractors in any of its production processes and No homeworking found

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

Details:

Production records

Non-compliance:

1. Description of non-compliance:

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

None

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:

N/A

Observation:

Description of observation: None was observed Local law or ETI/Additional elements requirement: N/A Comments: Nil	Objective evidence observed: N/A
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Good Examples observed:	
Description of Good Example (GE): None was observed	Objective Evidence Observed: N/A

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: 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 A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:

D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
E: How does the site ensure worker hours and pay meet local laws for homeworkers?		
F: What processes are carried out by homeworkers?		
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:	
H: 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

[\(Click here to return to summary of findings\)](#)

ETI

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: A suggestion box in the break room to submit feedback, there was an open door policy with management to discuss in private and confidentially and questions or concerns.
B: If Yes , are workers aware of these channels and have access? Please give details.	It was confirmed through the worker interview that the employees knew these channels and had access.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	A suggestion box
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Suggestion box was installed at the site and all workers could write anonymous letter confidentially. And all workers could complain with the Managing Director directly.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain

H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details

Current Systems and Evidence Examined

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

Current systems:

1. Based on the factory regulation, no physical abuse or discipline, threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were permitted in the factory.
2. Per management interview and worker interview, no case of abuse or discipline were happened in the factory.
3. No negative evidence of mental/ physical abuse, sexual or other harassment and verbal abuse were identified during the audit.
4. The policy of anti-harsh or inhumane treatment was established in the factory.

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

Details:

Anti-harsh or inhumane treatment policy

Management interview

Worker interview

Any other comments:

N/A

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:

N/A

Observation:	
Description of observation: None was observed Local law or ETI requirement: N/A Comments: Nil	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE): None was observed	Objective Evidence Observed: N/A

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Confirmed by interview with the HR manager, it was confirmed that only workers with legal rights to work could be employed or used by the factory. All workers would be reviewed and validated the original documentation before they employed.
2. All workers must be verified by the factory for their legal right to work according to reviewing original documentation.
3. The factory also established the identity recognition policy of the employee to make sure the employed ones with a legal right to work.
4. Through employee file and onsite observation, it was noted that all the employees were Indonesian, no migrant workers were found in the factory.

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

Details:

Recruitment procedure
Identity recognition policy
Employee Roster
Personnel file

Any other comments:

N/A

Non-compliance:

1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Local law and/or ETI requirement: N/A Recommended corrective action: Nil	Objective evidence observed: N/A
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Observation:	
Description of observation: None was observed Local law or ETI/Additional elements requirement: N/A Comments: Nil	Objective evidence observed: N/A

Good examples observed:	
Description of Good Example (GE): None was observed	Objective Evidence Observed: N/A

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

[\(Click here to return to summary of findings\)](#)

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:

Through onsite inspection, interviews and document review, no violation of environment pollution was observed.

The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations: including the report form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit. The annual monitoring report for noise showed the pollutant discharging was compliance with environmental law.

Based on workers interview, they were trained on environmental protection. The factory had established an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. The factory was aware of the significant environmental impact of their

site and its processes. The factory had measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use.
The factory had sought to make continuous improvements in their environmental performance

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

Details:

Through factory tour and document review, the factory had established internal environmental management documents

Any other comments:
N/A

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: N/A

Recommended corrective action: Nil

Objective evidence observed:

N/A

Observation:

Description of observation: None

Local law or ETI/Additional elements requirements: N/A

Comments: Nil

Objective evidence observed:

N/A

Good examples observed:

Description of Good Example (GE):
None

Objective Evidence Observed:

N/A

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Thohir Maksudi as Deputy 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 B1: Please give details: The site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: During the audit, no recognized certifications were identified.
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 D1: If yes, is it publicly available? The policy was communicated to all employees and posted In Production area.
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 E1: Please give details: The factory had taken some measures such as eliminate or reduce the industrial waste in order to improve environmental performance.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" 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 gives details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: no sustainability systems
H: Have all legally required permits been shown? Please gives details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Certificate of environmental (UPL/UKL) as per law
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A I1: Please give details: There was no hazardous chemical used in the manufacturing process.
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 J1: Please give details: The factory had established environment management manual to accord with its client's requirements and legislation
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: The factory had not established policy and plan to reduce energy and resource loss.	
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 L1: Please give details: The factory monitored the volume of waste that was recycled.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had established the energy consumption monitoring system to accord with local laws and legislations	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: No Sub-Contracting	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: January – December 2022	Current Year: Please state period: January – May 2023
Electricity Usage: Kw/hrs	8045 kwh/hrs	3950 kwh/hrs
Renewable Energy Usage: Kw/hrs	-	-
Gas Usage: Kw/hrs	-	-
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	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	From water supply company	From water supply company
Water Volume Used: (m ³)	420 m ³	260 m ³
Water Discharged: Please list all receiving waters/recipients.	Industrial Municipal	Industrial Municipal
Water Volume Discharged: (m ³)	200 m ³	98 m ³
Water Volume Recycled: (m ³)	N/A, no facility for water recycling at this site	N/A, no facility for water recycling at this site

Total waste Produced (please state units)	Rattan waste: 2 tons Domestic waste: 240 kg	Rattan waste: 980 kg Domestic waste: 115 kg
Total hazardous waste Produced: (please state units)	811 kg	680 kg
Waste to Recycling: (please state units)	-	-
Waste to Landfill: (please state units)	240 kg	115 kg
Waste to other: (please give details and state units)	-	-
Total Product Produced (please state units)	15000 pcs	6000 pcs

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

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:

1. The factory established the business ethics policy, which covered bribery, corruption, or any type of fraudulent Business Practice.
2. Thohir Maksudi as Deputy Director was designated as supervisor for integrity and business ethic.
3. The factory had established written procedure for against bribery and corruption and it was clearly communicated to suppliers and clients by email and training.
4. No bribery, corruption or any type of fraudulent Business Practice activities were identified in this audit.
5. The factory signed anti-bribery agreement with their sales and relevant staff who was carried a higher level of risk of ethical Business Practice.
6. All employees had access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

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

Details:

Business ethics policy
Anti-bribery agreement
Training records
Management interview

Any other comments:
N/A

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: N/A

Recommended corrective action: Ni

Objective evidence observed:

N/A

Observation

Description of observation:

None

Local law or ETI/Additional elements requirement: N/A

Comments: Nil

Objective evidence observed:

N/A

Good examples observed:

Description of Good Example (GE):

None

Objective Evidence Observed:

N/A

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- ☒ Internal Policy
☐ Policy for third parties including suppliers

A1: Please give details: The management policy of integrity and business ethic was published by general

	manager, and it was communicated to all the relevant parties
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory had provided training to relevant personnel such as sales and purchasing etc.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: examined each year by HR department and adjusted if needed
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory required their suppliers to complete their own business ethics training. The factory provided the training records for review.

Other findings

Other Findings Outside the Scope of the Code
N/A

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
N/A













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

Photo Form

Facility name	Outlook	ETI Code
Clinic	Exit sign and emergency light	Control panel
PPE Sign	Toilet	Assembly point

		
Evacuation routes	Finishing packing area	Drinking water
		
Fire alarm	Production area	First aid box
		
Fire extinguisher	Chemical label	PPE Provided
		
Eye wash station	Smoke detector	Inspection area



Incoming material



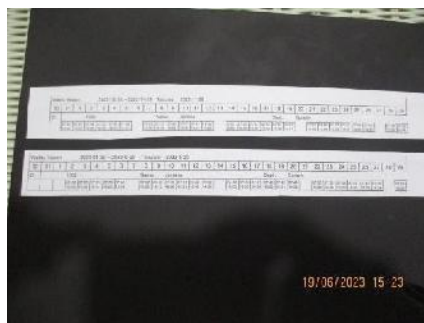
Eating area



Business license



Environment license



Timecard reviewed



Payroll reviewed



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

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

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