

# Sedex Members Ethical Trade Audit (SMETA) Modified Version

Version 4.0.1 – Customer Code Version, Jun 2012

Supplier name:	N/A	
Site country:	USA	
Site name:	Counterpoint/Digispec/Visstun	
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar

## Audit Content:

(1) A SMETA 4-Pillar audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Practices. The SMETA Best Practice Methodology v.4.0 May 2012 was applied. 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
  - o Management systems and code implementation,
  - o Entitlement to Work & Immigration,
  - o Sub-Contracting and Home working,

### 4-Pillar SMETA Audit

- o 2-Pillar requirements plus
- o Additional Pillar assessment of Environment
- o Additional Pillar assessment of Business Practices

The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non compliances were raised against the ETI base-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.





<b>Audit Company Name:</b> UL – Responsible Sourcing	<b>Report Owner (payee):</b> <i>(If paid for by the customer of the site, please remove for Sedex upload)</i>
<b>Sedex Company Reference:</b> <i>(only available on Sedex System):</i>	S0000000081206
<b>Sedex Site Reference:</b> <i>(only available on Sedex System)</i>	P000000177084

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

<b>Auditor Reference Number:</b> (If applicable)	N/A
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## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA best practice guidance version 4.0. Any exceptions to this are recorded here:

- (1) A SMETA **4-Pillar** audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Practices. The SMETA Best Practice Methodology v.4.0 May 2012 was applied.
- (2) The audit scope was against the following reference documents
  - 2-Pillar SMETA Audit
    - ETI Base Code
    - SMETA Additions
      - o *Management systems and code implementation,*
      - o *Entitlement to Work & Immigration,*
      - o *Sub-Contracting and Home working,*

4-Pillar SMETA

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

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.

Auditor name(s):	C. Jaime/ C. Loza
Role:	Lead Auditor/Team Auditor
Date:	23-24 June 2015

## Audit Details

Audit Details				
A: Report #:	SMET-20150624-2			
B: Date of audit:	23-24 June 2015			
C: Time in and time out:	Day 1			
	Time in:	8:30		
	Time out:	16:00		
	Day 2			
	Time in:	9:15		
	Time out:	13:45		
D: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	2 auditor-days			
E: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define			
F: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced <input type="checkbox"/> Unannounced			
G: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
If no, why not?	N/A			
I: Auditor name(s) and role(s):	Auditor	Role	First name	Family name
	Auditor 1	Lead Auditor	Christie	Jaime
	Auditor 2	Team Auditor	Cynthia	Loza
J: Report written by:	First name	Family name		
	Christie	Jaime		
K: Report reviewed by:	First name	Family name		
	Grace	Bayhonan		
L: Report issue date:	1 July 2015			
M: Supplier name:	H & H Enterprises			
N: Site name:	Counterpoint/Digispec/Visstun			
O: Site country:	USA			

P: Site contact and job title:	First name	Family name	Job title	
	Monique	Favreau	Operations Director	
Q: Site address:	Street address 1	6355 Sunset Corporate Drive		
	Town / City	Las Vegas		
	Province	NV		
	Postal code	89120		
Site phone:	Country code	City code	Phone number	
	1	702	876-6292	
Site fax:	Country code	City code	Phone number	
	1	702	876-6847	
Site e-mail:	<a href="mailto:moniquef@visstun-digispec.com">moniquef@visstun-digispec.com</a>			
R: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Clark County Business License (Equipment Sales/Service): 10003130346 Clark County Business License (Manufacturing): 1000104-560 Tax Registration #: 954377936-01 Nevada State Business License: Business Identification #: NV19901030137 Worker's Compensation: 0528519-01)			
S: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Counter Mats Mouse Pads Cups			
T: Audit results reviewed with site management?	Yes			
U: Who signed and agreed CAPR (Name and job title)	First name	Family name	Job title	
	Monique	Favreau	Operations Director	
V: Did the person who signed the CAPR have authority to implement changes?	Yes			
W: Previous audit date:	N/A			
X: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*If other, please define:				

## Audit Scope

<b>Local Law</b>		
(Please state legal requirement)		
A: Standard work week: <i>(total hours excluding overtime)</i>	40 hours	
B: Maximum allowed overtime hours: <i>(please state per day, week, month)</i>	Daily	N/A
	Weekly	N/A
	Monthly	N/A
	Quarterly	N/A
	Yearly	N/A
C: Minimum work age:	18 (without restrictions)	
D: Minimum legal wage for standard hours: <i>(please state per day, week, month)</i>	USD8.25/hour	
E: Minimum legal overtime wage: <i>(please state per day, week, month)</i>	150% after 8 hours daily or 40 hours weekly (depending on hourly rate)	

<b>Audit Scope</b>	
(Please select the code and additional requirements that were audited against during this audit)	
2-Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4-Pillar	<input checked="" type="checkbox"/>
10C: Business Practices	<input checked="" type="checkbox"/>

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

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

## Non-Compliance Table

Issue	Area of Non-Conformity <i>(Only check box when there is a non-conformity)</i>			Record the number of issues by line*:			
	ETI Base Code	Local Law	Additional Elements	NC	Obs	GE	
0	Management systems and code implementation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		4	
1	Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3	Safety and Hygienic Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2		
4	Child Labour	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1	
5	Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
6	Working Hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
8A	Sub-Contracting and Homeworking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
9	Harsh or Inhumane Treatment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			1
10A	Entitlement to Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
10B4	Environment 4-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
10C	Business Practices	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		1	

\*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.

## Audit Overview

Audit Overview											
				Management				Worker Representatives			
Audit attendance				Senior management				Worker Committee representatives		Union representatives	
A: Present at the opening meeting?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
B: Present at the audit?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
D: If Worker Representatives not present please explain reasons why											
E: If Union Representatives not present please explain reasons why:				No union present							
<b>F: Site description:</b> (Include size, location and age of site. Also include structure and number of buildings)				Production Building 1							
				Name of building				Counterpoint/Digispec/Visstun			
				Number of floors				2			
				Surface area (square meters)				110,000			
				Main material used in construction				Concrete			
				Year constructed				2000			
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: <i>(if applicable)</i>				January, February, August-October							
<b>I: Typical production level as a % of the total capacity by month (record below):</b> <i>Site declaration only – this has not been verified by auditor.</i>											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary	Proprietary
<b>J: Process overview:</b> (Include products being produced, main operations, number of production lines, main equipment used)											



Product 1	Proprietary	Product 2	Proprietary	Product 3	Proprietary
Proprietary		Proprietary		Proprietary	

**K: 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

Number of employees onsite on day of audit	Total number of employees presented: 214 Production workers (includes cleaners, security guards): 138 Non-production workers (management, sales, admin):76
Number of non- nationals (if applicable)	N/A
Breakdown of non-nationals (country and number)	N/A
Employee turnover (annual calculation)	65%
Number of employees interviewed	26
Top three (3) good points noted by employees in interviews	- Management/supervisors are approachable and friendly -Not stressful -Friendly/Family environment
Were workers aware of the audit?	Yes
Did workers appear to be coached?	No
Were there any special situations regarding the interviews that are of note?	No

**L: Attitude of managers:**

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

Was the facility prepared for the audit? If not, please explain.	Yes
Did the facility appear to be familiar with the audit process?	Yes
Did the facility appear to try to hinder or thwart the audit process? If so, please explain.	No

The assessment team arrived at the facility at 9:00am. The team was greeted by Kathy Larson, Food Safety-Quality Manager. An opening meeting was then held with management, which included Ms. Larson, John Conrad/HR Manager, and Monique Favreau, Operations Director. At this time the Statement of Integrity was presented and signed by Ms. Favreau. All processes were able to be completed, with full cooperation from management

Photos were not permitted, per company policy.

Note: An integrated assessment was conducted using SMETA and the facility's client specific protocols. A total of 4 pay periods were reviewed for sampled employees, in accordance with the client requirement.

**M: Summary of main findings: (positive and negative)**

(This is a summary not a repeat of the section detail)

Non-compliances		
Number	Description	Law / Code of Conduct reference
3(1)	Employees have not been trained on the following: Bloodborne Pathogens.	29 CFR (2008) 1910.1030(g)(2)
3(2)	Authorized employees have not undergone annual lockout/ tagout inspections.	29 CFR (1996) 1910.147(c)(6)(i)(A)(ii)

Observations		
Number	Description	Law / Code of Conduct reference

0(1)	The ETI Base Code has not been effectively communicated to employees.	ETI Base Code, 0.3
0(2)	The ETI Base Code has not been communicated to suppliers.	ETI Base Code, 0.3
0(3)	The facility does not have a written Forced Labor Policy.	ETI Base Code, 0.1
0(4)	The facility does not have a written policy on Freedom of Association/Collective Bargaining.	ETI Base Code, 0.1
4(1)	The facility does not have a child remediation plan in place for use in the event a child is found to be working onsite.	ETI Base Code, 4.2
10C(1)	No policy or stated business principles which covers the need to conduct business integrity with specific reference to topics such as bribery issues, conflicts of interest, charitable donations, facilitation payments, and political contributions.	ETI Base Code, 10C.5

Good Examples

Number	Description
9(1)	Employees stated that management is very receptive to employee recommendations and suggestions and are willing to help. The work environment feels like family.

## Key Information

Key Information	
A: Do all workers (including migrant workers) have contracts of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence
D: For the lowest paid production worker, are wages paid for standard hours (excluding overtime) below or above the legal minimum?	Wages found: <input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above
	Please indicate the breakdown of workforce according to earnings: _____% of workforce earning under min wage _____% of workforce earning min wage 100% of workforce earning above min wage
E: % of piece rate workers: (if applicable)	_0_ %
F: Combined hours (standard and overtime) over 60 per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Are the correct overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
I: % of workers living in site provided accommodation (if applicable):	_0_ %
J: Age of youngest worker found:	18 years
K: Workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes _____% of under 18's at this site (out of total workers) <input type="checkbox"/> No N/A
L: 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
M: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
N: Is It a legal requirement to have a workers committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

O: Is there any other form of effective worker/management communication channel? <i>(Other than union/worker committee)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: The facility has a documented Open Door Policy
P: Are there any External Processes?	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process (detail) <input checked="" type="checkbox"/> No external processes
Management Systems:	
Q: Nationality of Management	USA
R: Majority nationality of workers	USA
S: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	_65_ %
T: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If not, why not?	N/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 Please describe: N/A

## Worker Analysis

Worker Analysis								
	Local			Migrant			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	94	0	1	0	0	0	0	95
Worker numbers – female	44	0	0	0	0	0	0	44
Total	138	0	1	0	0	0	0	139
Number of Workers interviewed	25	0	1	0	0	0	0	26

### Contractors:

A: Any contractors on site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: If yes, how many workers supplied by contractors	1
C: Are all contractor workers paid according to law:	Yes;

### Migrant Workers:

D: Originating Locations/Countries:	Total number of non-nationals		N/A	
	Country breakdown			
	Country	N/A		
E: Work undertaken by migrant workers:	N/A			
F: Were migrant workers recruited through an agency?	N/A			
If yes, is there a contract with the agency? Provide details of agencies and contractual arrangements	N/A			
G: Percentage of migrant workers in company provided accommodation:	N/A			

## Audit Results by Clause

<b>0: Management systems and code implementation:</b>
0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
0.3 Suppliers are expected to communicate this Code to all employees.
0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

<b>Evidence of Compliance and Current Status</b>	
<i>Please Note: include evidence examined &amp; description of current status.</i>	
Documents checked	<ul style="list-style-type: none"> <li>Employee handbook</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>The facility has not implemented systems for delivering compliance to the Code. There are currently no written policies on forced labor or Freedom of Association/Collective Bargaining.</li> <li>The facility has appointed a senior member of management who shall be responsible for compliance with the code.</li> <li>The facility has not effectively communicated the Code to all employees.</li> <li>The facility has not communicated the Code to its own suppliers.</li> </ul>

<b>Non-compliance:</b>
None

<b>Observation</b>	
<b>NC against ETI/Additional Elements</b> <input checked="" type="checkbox"/>	<b>NC against Local Law</b> <input type="checkbox"/>
<b>Non-compliance number</b>	0(1)
<b>Description of non-compliance</b>	The facility has not effectively communicated the ETI Base Code to employees.
<b>Local law, ETI, or additional element requirement</b>	ETI Base Code, 0.3
<b>Clear explanation of non-compliance, with objective evidence observed</b>	The facility has posted the ETI Base Code in the employee break room in an area visible to all employees. However, the policy has not been explained, which was confirmed during interviews. Interviewed employees were not aware of the ETI Base Code.
<b>Recommended corrective action</b>	Ensure the ETI Base Code has been effectively communicated to all employees.
<b>NC against ETI/Additional Elements</b> <input checked="" type="checkbox"/>	<b>NC against Local Law</b> <input type="checkbox"/>
<b>Non-compliance number</b>	0(2)
<b>Description of non-compliance</b>	The facility has not communicated the ETI Base Code to its suppliers.
<b>Local law, ETI, or additional element requirement</b>	ETI Base Code, 0.3

<b>Clear explanation of non-compliance, with objective evidence observed</b>	The facility has not communicated the ETI Base Code to its suppliers.		
<b>Recommended corrective action</b>	Ensure the ETI Base code is communicated to suppliers.		
<b>NC against ETI/Additional Elements</b>	<input checked="" type="checkbox"/>	<b>NC against Local Law</b>	<input type="checkbox"/>
<b>Non-compliance number</b>	0(3)		
<b>Description of non-compliance</b>	The facility does not have a documented Forced Labor.		
<b>Local law, ETI, or additional element requirement</b>	ETI Base Code, 0.1		
<b>Clear explanation of non-compliance, with objective evidence observed</b>	The facility currently does not have a written policy on Forced Labor.		
<b>Recommended corrective action</b>	Create a written policy on Forced Labor and communicate to employees.		
<b>NC against ETI/Additional Elements</b>	<input checked="" type="checkbox"/>	<b>NC against Local Law</b>	<input type="checkbox"/>
<b>Non-compliance number</b>	0(4)		
<b>Description of non-compliance</b>	The facility does not have documented policy on Freedom of Association/Collective Bargaining.		
<b>Local law, ETI, or additional element requirement</b>	ETI Base Code, 0.1		
<b>Clear explanation of non-compliance, with objective evidence observed</b>	The facility does not have a documented policy on Freedom of Association/Collective Bargaining.		
<b>Recommended corrective action</b>	Create a written policy on Freedom of Association/Collective Bargaining.		

<b>Good Examples observed:</b>
None

**1: Employment is Freely Chosen**

**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.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Employee handbook</li> <li>• Personnel Files</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• Forced, bonded or involuntary prison labour were not apparent through review of personnel files or during employee interviews.</li> <li>• There is a clearly stated Employment at Will policy, which is understood by employees. Moreover, employee testimony verified the ability to terminate the employment relationship at any time.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None



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

**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.

**Evidence of Compliance and Current Status:**  
*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>Employee handbook</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>The facility respects the right of the employees to form and unions.</li> <li>Management does not interfere with employee rights with regard to collective bargaining or freedom of association.</li> <li>The facility is currently not affiliated with a collective bargaining unit, though rights under Freedom of Association are respected.</li> <li>There is a Health and Safety committee with employee representation.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

A: Name of union and union representative, if applicable:	N/A
If no union what is parallel means of consultation with workers e.g. worker committees?	Health and Safety Committee
B: Is there any evidence that this is effective?	The health and safety committee meets monthly to review health and safety concerns. Meeting minutes are maintained.

<i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>		
<b>C: Are any workers covered by Collective Bargaining Agreement (CBA)</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>If yes what percentage by trade Union/worker representation</b>	_0_% workers covered by Union CBA	_0_% workers covered by worker rep CBA
<b>D: Does the Collective Bargaining Agreement (CBA) include rates of pay</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No CBA	

**3: Working Conditions are Safe and Hygienic**

**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.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Safety Training</li> <li>• Emergency Action Plan</li> <li>• Inspection records for fire extinguisher</li> <li>• Fire Alarm inspection and testing report records</li> <li>• Annual Automatic Sprinkler System inspection</li> <li>• OSHA 300/300A logs</li> <li>• First Aid training; American Trauma Event Management</li> <li>• Safety Committee monthly notes</li> <li>• Water Quality Report</li> <li>• Safety Procedures and SOP's</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• The facility meets applicable OSHA regulations. Trends in injuries are analyzed to determine proper safeguards.</li> <li>• Employees receive annual safety training on various topics. Currently, employees are not trained on Bloodborne Pathogens. Additionally, authorized employees have not undergone periodic inspections.</li> <li>• There are no dormitories within the facility.</li> <li>• A designated senior management representative is responsible for administering the health and safety program.</li> </ul>

**Non-compliance:**

NC against ETI/Additional Elements		<input type="checkbox"/>	NC against Local Law		<input checked="" type="checkbox"/>
Non-compliance number	3(1)				
Description of non-compliance	Employees have not been trained on the following: Bloodborne Pathogens.				
Local law, ETI, or additional element requirement	29 CFR (2008) § 1910.1030(g)(2)				
Clear explanation of non-compliance, with objective evidence observed	Although the facility provides safety training to the employees on an array amount of subjects, the facility has not trained employees on the following subjects: Bloodborne Pathogens				
Recommended corrective action	Facility is to ensure that employees are trained on the mentioned topic.				

<b>NC against ETI/Additional Elements</b>		<input type="checkbox"/>	<b>NC against Local Law</b>		<input checked="" type="checkbox"/>
<b>Non-compliance number</b>	3(2)				
<b>Description of non-compliance</b>	Authorized employees have not undergone Annual lockout/tagout inspections.				
<b>Local law, ETI, or additional element requirement</b>	29 CFR (1996) § 1910.147(c)(6)(i)(A)(ii)				
<b>Clear explanation of non-compliance, with objective evidence observed</b>	All employees, both authorized and affected, have been trained on LOTO procedures. Documentation was presented to verify LOTO program is in compliance with law. However, annual inspections of LOTO procedures have not been conducted for authorized employees.				
<b>Recommended corrective action</b>	Facility is to ensure that authorized employees undergo annual LOTO inspections.				

Observation
None

Good Examples observed:
None

**4: Child Labour Shall Not Be Used**

**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.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• I-9 Forms</li> <li>• Child Labor Policy</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• Based on records reviewed, no underage workers are present in the facility.</li> <li>• The facility has not developed nor contribute to policies and programmes which provide for the transition of any child found to be performing child labour.</li> <li>• The facility does not employ anyone under the age of 18.</li> <li>• All policies/procedures align with the principles set forth by the ILO.</li> <li>• 9 out of the 26 forms reviewed were incomplete in Section II, with the employee's name missing at the top of the form; the form was missing for 4 out of the 26 sampled employees. Corrective action was initiated during the assessment by completing the forms which were missing and providing missing information on incomplete forms. Management consulted the governmental website on the form for guidance. Management stated that other corrections will be made to the forms after the assessment (such as initialling and including the date on all corrections made)</li> </ul>

**Non-compliance:**

None

**Observation**

<b>NC against ETI/Additional Elements</b>	<input checked="" type="checkbox"/>	<b>NC against Local Law</b>	<input type="checkbox"/>
<b>Non-compliance number</b>	4(1)		
<b>Description of non-compliance</b>	There is no child remediation policy in place in place in the event underage workers are found in the workplace.		
<b>Local law, ETI, or additional element requirement</b>	ETI Base Code, 4.2		
<b>Clear explanation of non-compliance, with objective evidence observed</b>	Although the facility performs background checks during the hiring process to verify age, a policy has not been developed which provide for the transition of any child found to be performing child labor.		
<b>Recommended corrective action</b>	Develop a child remediation policy for use in the even underage workers are found in the workplace.		

**Good Examples observed:**

None

**5: Living Wages are Paid**

**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.

**Evidence of Compliance and Current Status**  
*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>Working Hours and Compensation Policy</li> <li>Payroll Registers</li> <li>Time Records</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>As a policy, the facility ensures compensation meets at least legal or industry minimum standards on the basis of relevant legislation. Payroll registers provided for the sampled employees indicated that employees earn above the minimum wage.</li> <li>Employees are provided with company policies which details the facility pay practices. Additionally, an understandable wage statement accompanies all compensation.</li> <li>No disciplinary deductions were observed or reported.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

**Wages analysis:**

<b>A: Sample size:</b> <i>(number of wages checked and which weeks or months – please see BPG)</i>		Month or week(s)
	Period 1 (most recent)	6/6/2015
	Period 2 (peak)	5/30/2015

	Period 3 (other)	5/16/2015; 5/9/2015
<b>B: Legal minimum wage for standard time:</b> <i>(excluding OT - please include time period e.g. hour/week/month)</i>	Hour	USD8.25
	Day	N/A
	Week	N/A
	Month	N/A
<b>C: Are there different legal minimum wage grades? If yes, please specify all.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, please give details:
<b>D: Where there are different legal minimum wage grades are all workers graded correctly?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, please give details:
<b>E: What deductions are required by law:</b>	Federal Income Tax Federal FICA Federal Medicare (Percentage individually determined by various factors in accordance with federal and state requirements)	
<b>F: Have all of these deductions been made?</b>	Yes	
<b>G: Industry norm for this region:</b> <i>(please include time period e.g. hour/week/month)</i>	Industry norm not calculated	
<b>H: Legal overtime premium for weekdays:</b> <i>(please include time period e.g. hour/week/month)</i>	N/A	
<b>I: Legal overtime premium for rest days:</b> <i>(please include time period e.g. hour/week/month)</i>	N/A	
<b>J: Legal overtime premium for holidays:</b> <i>(please include time period e.g. hour/week/month)</i>	N/A	

Worker Type	Process Operator (Highest paid)	Process Operator (Average paid)	Process Operator (Lowest paid)
<p>Select one worker's records from each "Worker Type" and populate the boxes. Ensure comparison is made for same pay period (peak) and only uses full-time workers. See SMETA Best Practice Guidance for completing this:</p>			
A: Pay period <i>(please include time period e.g. hour/week/month):</i>	6/6/2015	6/6/2015	6/6/2015
B: Anonymous Employee Reference/Dept.	Production	Production	Production
C: Employee Gender	Male	Male	Male
D: Contracted wage <i>( please include time period e.g. hour/week/month):</i>	\$24/Hourly	\$15/Hourly	\$9/Hourly
E: Standard working hours <i>(excluding OT - please include time period e.g. hour/week/month):</i>	40 hours/weekly	40 hours/weekly	40 hours/weekly
F: Standard work pay rate <i>(excluding OT - please include time period e.g. hour/week/month):</i>	\$24/Hourly	\$15/Hourly	\$9/Hourly
G: Standard day overtime – hours <i>(please include time period e.g. hour/week/month):</i>	8.25 hours/weekly	7.25 hours/weekly	0 hours/weekly
H: Standard day overtime – wage <i>(please include time period e.g. hour/week/month):</i>	\$297.00/weekly	\$163.13/weekly	\$0
I: Rest day overtime – hours <i>(please include time period e.g. hour/week/month):</i>	N/A	N/A	N/A
J: Rest day overtime – wage <i>(please include time period e.g. hour/week/month):</i>	N/A	N/A	N/A
K: Statutory Holiday overtime – hours <i>(please include time period e.g. hour/week/month):</i>	N/A	N/A	N/A
L: Statutory holiday OT - wages <i>(please include time period e.g. hour/week/month):</i>	N/A	N/A	N/A



M: Total overtime hours <i>(please include time period e.g. hour/week/month):</i>	8.25 hours/weekly	7.25 hours/weekly	0 hours/weekly
N: Incentives/Bonus/ Allowances etc. <i>(please include time period e.g. hour/week/month):</i>	N/A	N/A	N/A
O: Gross wages <i>(please include time period e.g. hour/week/month):</i>	\$2,217.00/weekly	\$1,363.13/weekly	\$573.75/weekly
P: Social insurance and other deductions	\$421.67/weekly	\$326.38/weekly	\$131.07/weekly
Q: Actual wage paid after deduction <i>(please include time period e.g. hour/week/month):</i>	\$1,795.33/weekly	\$1,036.75/weekly	\$442.68/weekly
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
Wage rates are determined by job classification and experience. The employee earning the highest wage was in a highly skilled position, while the employee earning the lowest wage was a newer employee with less experience.			
R: Is there a defined living wage: <i>This is not normally legal wage. If answered Y please state amount and source of info: Please see BPG)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period: N/A – no defined living wage		
S: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
T: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:		
U: How are workers paid:	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer If not explain: N/A		
Actual overtime premium paid in sample for...			
V: Weekdays:	N/A		
W: Rest days:	N/A		
X: Holidays:	N/A		

**6: Working Hours are not Excessive**

**ETI**

6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.  
 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>Working Hours Policy</li> <li>Payroll registers</li> <li>Time records</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>Work hours comply with FLSA regulations; there were no instances of employees working over 60 hours within any one week reviewed.</li> <li>All employees in the sample were provided with a weekly day of rest in the pay periods reviewed.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

**Working hours analysis**

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

A: What timekeeping systems are used: time card etc.	Electronic
B: Sample size checked (number of workers): <i>Please see BPG</i>	26 for each pay period reviewed
C: Legal standard work week (hours): <i>(Excluding OT - please include time period e.g. hour/week/month).</i>	40 hours

D: Contracted standard work week this site (hours) <i>(excluding OT - please include time period e.g. hour/week/month)::</i>	40 hours										
E: Actual standard work week averaged over sample for full time workers: <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours										
F: Lowest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours										
G: Highest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours										
H: Percentage workers on part-time contracts	0% age										
I: Legal permitted overtime hours <i>(please include time period e.g. hour/week/month)</i>	<table border="1"> <tr> <td>Daily</td> <td>N/A</td> </tr> <tr> <td>Weekly</td> <td>N/A</td> </tr> <tr> <td>Monthly</td> <td>N/A</td> </tr> <tr> <td>Quarterly</td> <td>N/A</td> </tr> <tr> <td>Yearly</td> <td>N/A</td> </tr> </table>	Daily	N/A	Weekly	N/A	Monthly	N/A	Quarterly	N/A	Yearly	N/A
Daily	N/A										
Weekly	N/A										
Monthly	N/A										
Quarterly	N/A										
Yearly	N/A										
J: Any local waivers or permission for annualised hours for this site:	N/A										
K: Actual overtime hours: (averaged over sample) <i>(please include time period e.g. hour/week/month)</i>	5 hours										
L: Range of overtime hours over all workers: <i>(quote highest and lowest please include time period e.g. hour/week/month)</i>	0-18 hours										
M: approx % of workers on highest overtime hours:	__4__ %										
N: Peak season(s): <i>months</i>	January-February/August-October										
<b>Comments:</b> (Please state here any specific reasons/circumstances that explain the highest working hours)											
<ul style="list-style-type: none"> <li>Production tends to peak around the end of the summer season. Employees are also required to cover for employees who are out on leave/vacation. Overtime may become mandatory during the peak season.</li> </ul>											

**7: No Discrimination is Practiced**

**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.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Equal Employment Opportunity Policy</li> <li>• Equal Employment Opportunity Postings</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• As a policy, the facility does not tolerate discrimination of any kind.</li> <li>• There were no reports of discrimination at the time of the assessment.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

**8: Regular Employment Is Provided**

**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.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Company policies</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• Employment contracts are not a legal requirement.</li> <li>• The facility rarely sources temporary staff members through a temporary agency. This occurs on an as needed basis during peaks in production.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

**8A: Sub-Contracting and Homeworking:**

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.*

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>Production process description</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>The facility does not employ the use of subcontractors or homeworkers. All production processes are conducted onsite.</li> </ul>

Subcontractor name	N/A
Specialty	
Address	
Phone	
Fax	
E-mail	
Contact person	

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

Summary of sub-contracting – if applicable	
A: Number of sub-contractors/agents used	N/A
B: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, summarise details:
C: What checks are in place to ensure no child labour is being used and work is safe?	
D: What processes are sub-contracted?	

Summary of homeworking – if applicable			
E: Number of homeworkers	Male: N/A	Female: N/A	Total: 0
F: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		
G: If through agents, number of agents			
H: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
I: How does site ensure worker hours and pay meet local laws for homeworkers?			
J: What processes are carried out by homeworkers?			
K: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
L: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

**9: No Harsh or Inhumane Treatment is Allowed**

**ETI**

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

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Anti Harassment Policy</li> <li>• Disciplinary policy</li> <li>• Disciplinary notices</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• As a policy, the facility provides a workplace free from harassment, including sexual, verbal, physical or visual behavior that creates an offensive, hostile, or intimidating environment.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

<b>Good Example number</b>	9(1)
<b>Description of Good Example</b>	Employees stated that management is very receptive to employee recommendations and suggestions, and willing to help. The work environment feels like family.



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

**Additional Elements**

10A1 Only workers with a legal right to work shall be employed or used by the supplier.  
 10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.  
 10A3 employment agencies must only supply workers registered with them.  
 10A4 the supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• 19 Forms</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• Only employees who have been verified to have legal employment status are permitted to work.</li> <li>• Employees are required to present original documentation proving employment eligibility during the hiring process.</li> <li>• The facility requires outside contractors to comply with applicable laws and regulations with regard to entitlement to work.</li> </ul>

**Non-compliance:**

None

**Observation**

None

**Good Examples observed:**

None

**10. Other issue areas 10B4: Environment 4-Pillar**

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

**B.4. Compliance Requirements**

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

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

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

**B4. Guidance for Observations**

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

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

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

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

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

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

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

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

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

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Environmental Policy</li> <li>• Air quality permit through Mecklenburg County; Permit No.: 873-expires 10/20/18.</li> <li>• Waste Management Permit-Permit No.: PR0029251- expires 12/31/15.</li> <li>• Water testing-Las Vegas-Municipal Report</li> <li>• Waste manifests</li> <li>• SDS/chemical inventory</li> <li>• Recycling invoice</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• There was no evidence of non-compliant environmental practices.</li> <li>• All required environmental permits are up to date.</li> <li>• An environmental policy is in place, detailing the facility's commitment to environmental stewardship. This policy is also is communicated to employees.</li> <li>• The facility maintains proper records of environmental impact and has set goals for reduction of impact.</li> <li>• The facility consistently monitors environmental practices, through the use of an environmental management system, to ensure continuous improvement.</li> <li>• A designated management member is responsible for administering the environmental program.</li> <li>• The facility has not been fined or cited for any violations of environmental regulations.</li> </ul>

<b>Non-compliance:</b>
None

<b>Observation</b>
None

<b>Good Examples observed:</b>
None

<b>Environmental Analysis</b>		
<i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>		
Criteria	Current year: January-May 2015	Previous Year: 2014
Electricity Usage: <i>Kw/hrs</i>	15,675,770 Kwh	Unknown
Gas Usage: <i>Kw/hrs</i>	4,168 therms	Unknown
Renewable Energy Usage: <i>Kw/hrs</i>	0	0
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
Water Sources <i>Please list all places.</i>	<ul style="list-style-type: none"> <li>• City/Municipal</li> </ul>	<ul style="list-style-type: none"> <li>• City/Municipal</li> </ul>
Water Volume Used ( <i>m<sup>3</sup></i> )	505/1000 gallons	Unknown
Water Discharged : <i>Please list all places.</i>	<ul style="list-style-type: none"> <li>• City/Municipal</li> </ul>	<ul style="list-style-type: none"> <li>• City/Municipal</li> </ul>
Water Volume Discharged: ( <i>m<sup>3</sup></i> )	505/1000 gallons	505/1000 gallons
Water Volume Recycled: ( <i>m<sup>3</sup></i> )	0	0
Total waste Produced <i>(please state units)</i>	Current municipal does not have a way to calculate this. They are working on a method which can determine this.	Current municipal does not have a way to calculate this. They are+ working on a method which can determine this.
Waste to Landfill: <i>(please state units)</i>	35%	Unknown
Total Product Produced <i>(please state units)</i>	Proprietary	Proprietary

**10C: Business Ethics – 4-Pillar Audit**

*To be completed for a 4-Pillar SMETA Audit*

**10C. Guidance for “Observations”**

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

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

**Evidence of Compliance and Current Status**

*Please Note: include evidence examined & description of current status.*

Documents checked	<ul style="list-style-type: none"> <li>• Employee handbook</li> </ul>
Description of current status	<ul style="list-style-type: none"> <li>• Management acknowledged and signed the UL-RS Statement of Integrity which describes the UL-RS Anti Bribery policy.</li> <li>• Policies/procedures are in currently not in place for ethical business practices related to corruption and bribery.</li> <li>• The company does not have a written code of conduct which references applicable anti corruption and antitrust/competition laws.</li> <li>• A designated staff member is responsible for implementing practices concerning ethical business practices.</li> <li>• Employees are instructed to report any violations to company regulations directly to management. There is a “No Retaliation” policy.</li> <li>• Once the facility has developed a written code of conduct which references ethical business practices, relevant employees will be trained.</li> </ul>

**Observation**

<b>Observation number</b>	10C(1)
<b>Description of observation</b>	No policy or stated business principles which covers the need to conduct business integrity with specific reference to topics such as bribery issues, conflicts of interest, charitable donations, facilitation payments, political contributions.

<b>Local law, ETI, or additional element requirement</b>	10C.5
<b>Clear explanation of observation, with objective evidence observed</b>	No policy or stated business principles which covers the need to conduct business integrity with specific reference to topics such as bribery issues, conflicts of interest, charitable donations, facilitation payments, political contributions.
<b>Recommended corrective action</b>	Develop a written Code of Conduct with specific reference to topics concerning business ethics.

Good Examples observed:
None

## Worker Interview Summary

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Number of group interviews: <i>Please specify number and size of groups. Please see BPG</i>	4 groups of 5
D: Number of individual interviews <i>Please see BPG</i>	Male: 3      Female: 3
E: Number of interviewed workers <i>Please see BPG</i>	Male: 8      Female: 12
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaints noted.
I: What did the workers like the most about working at this site?	Friendly and approachable management.
J: Any additional comment(s) regarding interviews:	None.

Agency Workers (workers sourced from a local agent who are not directly paid by the site)	
A: Number of agencies used (average): 1	And names if available: Aerotek
B: Were agency workers' age/pay/hours included within scope of this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## Other findings

Other Findings Outside the Scope of the Code
None

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

## Appendix 1

<p><b>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."</b></p>	
<p><b>NOTE:</b> The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
<p><b>ETI Code</b></p>	<p><b>Customer's Supplier Code equivalent</b></p>
<p><b>ETI 1. Employment is freely chosen</b></p>	<p><b>ETI 1. Employment is freely chosen</b></p>
<p>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.</p>	
<p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>	<p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>
<p>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.</p>	
<p><b>ETI 3. Working conditions are safe and hygienic</b></p>	<p><b>ETI 3. Working conditions are safe and hygienic</b></p>
<p>3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate</p>	



<p>steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.</p>	
<p><b>ETI 4. Child labour shall not be used</b></p>	<p><b>ETI 4. Child labour shall not be used</b></p>
<p>4.1. There shall be no new recruitment of child labour.</p> <p>4.2. Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; “child” and “child labour” being defined in the appendices.</p> <p>4.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4. These policies and procedures shall conform to the provisions of the relevant ILO standards.</p>	
<p><b>ETI 5. Living wages are paid</b></p>	<p><b>ETI 5. Living wages are paid</b></p>
<p>5.1. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2. All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<p><b>ETI 6. Working Hours are not excessive</b></p>	<p><b>ETI 6. Working Hours are not excessive</b></p>

<p>6.1. Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.</p> <p>6.2. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.</p>	
<b>ETI 7. No discrimination is practised</b>	<b>ETI 7. No discrimination is practised</b>
<p>There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<b>ETI 8. Regular employment is provided</b>	<b>ETI 8. Regular employment is provided</b>
<p>8.1. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p>	
<b>ETI 9. No harsh or inhumane treatment is allowed</b>	<b>ETI 9. No harsh or inhumane treatment is allowed</b>
<p>Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p>	

<b>SMETA Extra Sections for 4 Pillar Audit:</b>	<b>SMETA Extra Sections for 4 Pillar Audit:</b>
<b>Environment Section</b>	<b>Environment Section</b>
<p>D1. Suppliers as a minimum shall meet the requirements of local and national laws related to environmental standards.</p> <p>D2. Suppliers shall seek to make continuous improvements in their environmental performance.</p> <p>D3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against</p>	

<p>these.</p> <p>D4. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation.</p> <p>D5. Suppliers should be aware of the significant environmental impacts of their site and its processes.</p> <p>D6. Suppliers should have an environmental policy, covering its environmental impacts, which are communicated to all appropriate parties, including their own suppliers.</p> <p>D7. Suppliers should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.</p> <p>D8. Where appropriate suppliers must be able to demonstrate that they have the relevant valid permits for use and disposal of resources e.g. water, waste, etc.</p>	
<p><b>Business Practices Section</b></p>	
<p>E1. As a minimum, suppliers must comply with the requirements of local and national laws and regulations in the area of business integrity.</p> <p>E2. Suppliers shall seek to conduct their business ethically without bribery, corruption or any other type of fraudulent or unfair business practice.</p> <p>E3. Suppliers shall be aware of their end client's business integrity standards/code requirements and have a system in place to monitor their performance against these.</p> <p>E4. Suppliers should have a business integrity policy concerning bribery, corruption or unethical business practice. This should be clearly communicated to all relevant parties.</p> <p>E5. Suppliers should have a transparent system in place for confidentially reporting, and dealing with, unethical business practices, without fear of reprisals towards the reporter.</p>	

## Photo Form

- Photos were not permitted, per company policy.

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

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

[Click here for A & AB members:](#)

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or email [auditing@sedexglobal.com](mailto:auditing@sedexglobal.com)

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