




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1085303	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1036371
Business name (Company name):	XXXXXXXXXXXXXXXXXXXXX.		
Site name:	XXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXX		
Site address: <i>(Please include full address)</i>	XXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXX	Country:	China
Site contact and job title:	XXXXXXXXXXXXX/ General Manager		
Site phone:	XXXXXXXXXXXXX	Site e-mail:	XXXXXXXXXXXXXXXXXXXXX
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:	13-14/04/2023		

Audit Company Name & Logo: TÜV Rheinland (TUEV Rheinland)  Precisely Right.	Report Owner (payer): Hangzhou Prostar Enterprises Ltd.
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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): Nil

Auditor Team (s) (please list all including all interviewers): Jessie Zhang
Lead auditor: Jessie Zhang APSCA number: CSCA 21701717
Lead auditor APSCA status: In good standing
Team auditor: Nil APSCA number: NA
Interviewers: Jessie Zhang APSCA number: CSCA 21701717

Report writer: Jessie Zhang
Report reviewer: Elva Jiang

Date of declaration: 14 Apr, 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 <i>(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.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	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	Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	6	0	0	<ul style="list-style-type: none"> • Summary of Non-Compliance finding 1: electrical control panels were not equipped with outer cover. • Summary of Non-Compliance finding 2: electric control panels were not labeled with warning sign. • Summary of Non-Compliance finding 3: Construction project completion acceptance check not provided for review. • Summary of Non-Compliance finding 4: Fire control acceptance check not provided for review.

									<ul style="list-style-type: none"> Summary of Non-Compliance finding 5: No occupational hazardous factor test or evaluation conducted. Summary of Non-Compliance finding 6: No occupational health exam provided to the employees.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Summary of Non-Compliance finding 1: No social insurance for some workers.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Summary of Non-Compliance finding 1: Monthly overtime hours exceeded the legal requirement of 36 hours.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A. As it is a 4-pillar audit.
10B4	<u>Environment 4-Pillar</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Summary of Non-Compliance finding 1: No final acceptance monitoring report for environment protecting for review.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
General observations and summary of the site:									

Based on document review, employee interviews and site tour, the positive finding listed as below:

Positive findings:

1. The facility obtained a valid business license (No.: 913301226767568289) with a period of validity from 24 July, 2008 to 23 July, 2028 (updated on 22 Nov, 2016).
2. The facility possessed one flat building, one 2-storey building and one 3-storey building used as production workshop and warehouse, one 2-storey building used as office and one 3-storey building used as dormitory. There was no canteen or kitchen provided by the facility.
3. All employees were recruited directly by the factory. The factory required all employees to copy their personal ID cards before work. Both copy of ID cards and latest individual photos were kept properly in their personnel files.
4. The emergency evacuation floor plan was posted on the wall of each workshop.
5. There were 33 employees currently working in the factory including 15 male employees and 18 female employees.
6. No child labour or young worker was found during the audit. The youngest worker was 29 years old, born on 15 Jan, 1994 and was hired on 01 Mar, 2022.
7. No forced labour, discrimination & harsh or inhumane treatment were reported during worker interview.
8. Suggestion box was available for employees to complain or feedback their working condition. Also, they could communicate with their supervisors directly or through worker representatives.
9. Labour contract was signed with all employees in time when they obtained employment. Each employee retained one labour contract copy for individual.
10. The factory conducted fire drill which included fire extinguishers exercise and evacuation exercise twice a year at production area. The latest drill was conducted on 13 Mar, 2023.
11. The senior management (Mr. Lv Jinglong / Workshop Director) was assigned to be responsible for Health & Safety.
12. Totally 10 workers (Six individual workers and one group of four workers) were interviewed in the meeting room. Employees' attitude was positive and polite during the audit. And employees showed the favourable attitude toward the factory via workers interview.
13. Fire-fighting facilities were well equipped and checked regularly. Drinking water and toilet were available and accessed easily.
14. The wages were paid by cash before 30th at the following month. Workers' wages were calculated on hourly rate basis. No delay of wage was identified through worker interview and management interview.

Negative finding:

In view of the findings raised, there were totally nine non-compliances found during this audit. Among it, six non-compliance was found in the areas of Safety and Hygienic Conditions, one non-compliance was found in the areas of Living Wages are Paid, one non-compliance was found in the areas of Working Hours are not Excessive and one non-compliance was found in the areas of Environment 4-Pillar (for the NC contents please refer to above-mentioned NC table). For other areas, no violations were noted.

Observation:

None observed.

Good Example:
None observed.

**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:	XXXXXXXXXXXXXXXXXXXXXX																
B: Site name:	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXX																
C: GPS location: (If available)	XXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX China	XXXXXXXXXXXXXXXXXXXXXX X															
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 No. 913301226767568289 Valid from 24 July, 2008 to 23 July, 2028 (updated on 22 Nov, 2016)																
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of Ball Pens, Stationery products, Plastic products																
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX was specialized in manufacturing of Ball Pens, Stationery products, Plastic products. It was founded on 24 July, 2008. The factory was located at XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXX XXXXXXXXXXXXXXXX China. The facility possessed one flat building, one 2-storey building and one 3-storey building used as production workshop and warehouse, one 2-storey building used as office and one 3-storey building used as dormitory. There was no canteen or kitchen provided by the facility. On the audit day, there were totally 33 employees in the factory, among them there were 4 non-production people and 29 production workers. The age of employees ranges from 29 to 63.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building no. 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Molding workshop</td> <td>Year of establishment: 2010</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>N/A</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Production Building no. 2</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Mold injection workshop</td> <td>Year of establishment: 2010</td> </tr> </tbody> </table>		Production Building no. 1	Description	Remark, if any	Floor 1	Molding workshop	Year of establishment: 2010	Is this a shared building?	No	N/A	Production Building no. 2	Description	Remark, if any	Floor 1	Mold injection workshop	Year of establishment: 2010
Production Building no. 1	Description	Remark, if any															
Floor 1	Molding workshop	Year of establishment: 2010															
Is this a shared building?	No	N/A															
Production Building no. 2	Description	Remark, if any															
Floor 1	Mold injection workshop	Year of establishment: 2010															

Floor 2	Half-finished product warehouse	Year of establishment: 2010
Is this a shared building?	No	N/A

Production Building no. 3	Description	Remark, if any
Floor 1	Raw material and finished-product warehouses	Year of establishment: 2002
Floor 2	Inspection, assembly and packing workshop	Year of establishment: 2002
Floor 3	Packing material and dead stock warehouses	Year of establishment: 2002
Is this a shared building?	No	N/A

Office Building no. 4	Description	Remark, if any
Floor 1	Office	Year of establishment: 2002
Floor 2	Vacant	Year of establishment: 2002
Is this a shared building?	No	N/A

Dormitory Building no. 5	Description	Remark, if any
Floor 1	Dormitory room	Year of establishment: 2002
Floor 2	Dormitory room	Year of establishment: 2002
Floor 3	Dormitory room	Year of establishment: 2002
Is this a shared building?	No	N/A

F1: Visible structural integrity issues (large cracks) observed?
 Yes
 No

F2: Please give details: Through site tour, there was no visible structural integrity issues (large cracks) observed on the audit day.

F3: Does the site have a structural engineer evaluation?
 Yes
 No

	<p>F4: Please give details: The factory did not provide the Construction project completion acceptance check of one 2-storey production building and one 3-storey dormitory building used by the factory.</p>
<p>G: Site function:</p>	<p> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor </p>
<p>H: Month(s) of peak season: (if applicable)</p>	<p>No obvious peak season and non-peak season</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p> Products being produced: Ball Pens, Stationery products, Plastic products Main operations: Material mixing & crushing, mold injection, assembly, inspection and packing. Printing process was subcontracted. Main equipment used: mold injection machine, material mixing & crushing machine </p>
<p>J: What form of worker representation / union is there on site?</p>	<p> <input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee: 1 worker representative was elected on 22 June, 2022. <input type="checkbox"/> Other (specify) <input type="checkbox"/> None </p>
<p>K: Is there any night production work at the site?</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. 30% of workers in on site accommodation </p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers </p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details </p>

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 08:30 A2: Day 1 Time out: 17:30	A3: Day 2 Time in: 08:30 A4: Day 2 Time out: 12:30	A5: Day 3 Time in: NA A6: Day 3 Time out: NA
B: Number of auditor days used:	1.5 (1 auditor x 1.5 days)		
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)	XXXXXXXXXX/ Office 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:	13-14/04/2022		
J: Previous audit type:	Full initial audit		
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 <i>(only complete if no worker reps present)</i>	Not Applicable, as worker representatives were present		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no trade union in the facility.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	6	0	0	8	0	0	0	14
Worker numbers – female	10	0	0	5	0	0	0	15
Total	16	0	0	13	0	0	0	29
Number of Workers interviewed – male	2	0	0	3	0	0	0	5
Number of Workers interviewed – female	3	0	0	2	0	0	0	5
Total – interviewed sample size	5	0	0	5	0	0	0	10

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

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 workers
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3 D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 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?	The workers interviewed showed they wanted to earn more wage.
I: What did the workers like the most about working at this site?	The working environment was quite good and the colleagues were quite friendly.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Positive
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: <i>(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</i>	

The factory allowed the auditor from TÜV Rheinland (TUEV Rheinland) conducted confidential interviews with workers who were chosen freely without any influence by the factory management; 10 workers (1 group of 4 workers and 6 individuals) were randomly selected by auditor from different workshops for interviews; The workers showed a cooperative attitude during the interview process. Based on workers interview, they expressed their positive attitude to the management and payment. Most workers were satisfied with working conditions and benefits provided by the factory.

The effective evidences were collected by workers interview, the following information was summarized:

1. For employment freely chosen issues, workers said they were not required to lodge "deposits" or their identity cards at the recruitment and were free to leave or resign after reasonable notice.
2. For freedom association issues, all interviewees reflected that workers could complain to management or worker committee representatives directly or by writing letters through suggestion box, all interviewed workers were aware of workers' representative.
3. For safety and health issues, all workers stated that factory provided induction training for new workers and regular safety training for all workers. Workers said they had participated in fire drills at the production area twice per a year, and most of them knew how to use the fire equipment.
4. For child labour issues, all interviewees confirmed that the factory checked their ID cards to verify their ages had never seen or heard any child labour less than 16 years old employed in this factory.
5. For wages and benefits issues, all workers said they were paid by monthly rate. Their wages were paid on or before 30th of the following month by cash. They could check the wages if they had any doubts.
6. For working hour issues, all employees worked in one shift per day, which was from 08:00 to 17:00 with 1.0 hour's rest from 11:00 to 12:00, the production peak season was not obvious, and all workers had 2 hours' overtime working in normal work days sometimes. They had OT work on Saturday usually and rest on Sundays.
7. For discrimination issues, they said they could obtain the job based on their working experiences and abilities, female worker or male workers' wages were calculated at the same rate for the same work.
8. For regular employment issue, all interviewees said that the factory had signed contracts with them within one week since recruitment and they had a copy of the contract on hands.

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

Interview with the worker committee representatives, the interviewees expressed that the facility management was nice to them, they could freely express their opinions, will, advice and suggestion without any fear or concern and they also could make grievance if necessary. No negative information was observed during the audit.

O: Attitude of managers:

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

The factory management showed a positive and cooperative attitude during the audit.
 The factory management agreed that the auditor took photos of the factory and factory compound and copy relevant documents/records.
 The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.
 The factory agreed that the auditor had accesses to all facilities, compound and documents and records requested by the audit.
 At the end of the audit, all findings were accepted by the facility management.

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:

1. According to the documents review on the procedure files and management policy documents, the facility had established a policy, endorsed at the highest level, covering human rights impacts and issues, and the management provided the agreements signed by both the facility and its appropriate parties including its own suppliers to show they have communicated to its appropriate parties.
2. The facility had posted the policy about respecting Human Rights in the bulletin board, for example, Child labour shall not be used, Forced Labour shall not be used, No discrimination is practised, No harsh or inhumane treatment is allowed, etc.
3. The appointment letter of management representative (xxxxxxxxx/ General Manager) for implementing standards concerning Human rights was also provided for review.
4. The facility provided the stakeholders situation for review.
5. The facility provided the assessment report for measuring the direct, indirect, and potential impacts on stakeholders (rights holders) human rights to the auditor for review.
6. The facility established a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter by means of suggestion box, making the contact way of General Manager and Manager in bulletin board and public areas in the facility, and the facility protects the reporter never disclosing any individual information about the reporter to any individuals.

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

Details:

1. Documentation files were reviewed. It stipulates complying with Human Rights, written policies and procedure that being provided individually to employees.
 2. Letter of Authorization on implementing Human Rights
 3. Impact for Human Rights assessment report
 4. Management interview and employee interview

Any other comments:
 Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had posted the policy about respecting Human Rights in the bulletin board, including Child labour shall not be used, Forced Labour shall not be used, No discrimination is practised, No harsh or inhumane treatment is allowed, etc.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: XXXXXXXX Job title: General Manager</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility established a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter by means of suggestion box, making the contact way of General Manager and Manager in bulletin board and public areas in the facility, and the facility protects the reporter never disclosing any individual information about the reporter to any individuals.</p>
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The site has a locked filing cabinet with workers personnel records. Workers can access their personnel records if they request it. HR staff are the only other members of staff with access.</p>

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

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2022 __6__ %	A2: This year: 2023 __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: 2022 __3__ %	C2: This year: 2023 __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: Management keeps a record of accidents (General Manager - Mr. Qiao Qijun)	
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: 2022 Number: 0	F2: This year: 2023 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: 2022 0	H2: This year: 2023 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:

1. According to the document review the facility had established a system to deliver compliance to the code which included child labour prohibition system and overtime work control system etc.
2. The facility had posted the ETI Base Code in the workshop.
3. The appointment letter of management representative (MsXXXXXX/ Financial Manager) for management of ETI compliance was also provided for review.
4. And auditor crosschecked attendance records provided by management with related production records collected from workshops and interview 10 sample workers. No inconsistency was noted.

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

Details:

1. Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and employee interview

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: Auditor checked this through internet and no fines/prosecutions was noted.
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<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies existed for some of these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics)</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>In the past 12 months there was no forced labour, child labour, discrimination, harassment & abuse happened and the HR department strengthened and normalized the recruitment procedures and behaviour in case of child labour, forced labour, discrimination, harassment & abuse.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility operated training in the standards for forced labour, child labour, discrimination, harassment & abuse on managers and workers every three months.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility provided training records for review and through employee interview, the workers knew well about it.</p>
<p>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).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The facility has no internationally recognised system certification.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: There was 1 human resource people. XXXXX/ Financial Manager is in charge of HR department.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Zhong Chunlei / Financial Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility established a policy to ensure all worker information is confidential.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	J1: Please give details: Through employee interview, they showed their confidential information is kept confidential.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The risk assessment was conducted through H&S committee and internal audit team on 04 Jan, 2023.
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: The facility established a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
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: The facility established a policy/code which requires labour standards of its own suppliers and communicated to suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: The factory did not provide the Construction project completion acceptance check of one 2-storey production building and one 3-storey dormitory building used by the factory.(For details please refer to NC 3 - 3 Safety and Hygienic Conditions -3)
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 facility established a system to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
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: Remark:NA, The land in China mainland belongs to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.

<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: N/A. The owner/lessor of the land is the facility itself.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: This area where the factory located was assigned as industry usage by governmental department.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: All the areas of factory were legal according to the interview and document review.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers) N/A</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:

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

1. The factory has a policy which prohibits forced labour and this was available for review.
2. There was a non-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.
3. The employee handbook – given to all workers on joining, states that workers within their probation period are free to leave with 3 days 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 on their last day of work.
4. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hour.
5. 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

Yes

No

B1: If yes, please give details and category of worker affected:

<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: There are no any restrictions on workers' freedom to terminate employment.</p>
<p>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'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: NA</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: There is no evidence of any restrictions on workers' freedoms to leave the site at the end of the work day.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The facility established a policy about forbidden of forced / trafficked / bonded labour and implement strictest management to control the risk of forced / trafficked / bonded labour in it' s supply chain. The facility sent agreement of commitment to its suppliers, and operated social responsibility audit on suppliers to control the risk of forced / trafficked / bonded labour in it' s supply chain. Meanwhile, the facility management trained all the workers on the policy, and the workers have right to choose overtime working or not, and leave the site after work freely every day, and leave his job freely in accordance with the legal requirement with wage settlement. The facility, together with its suppliers and workers understand the risk of forced / trafficked / bonded labour, and observe it strictly.</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory established procedures such as Non-forced labour to prohibit employing forced labour.</p>

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

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

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:

- 1. There was no trade union in the factory. 1 worker representative was elected on 22 June, 2022. The periodical communication meeting between the management and employee representative are conducted quarterly and meeting minutes retained for review.
- 2. The facility has established a mechanism to facilitate feedback from workers, workers could raise their concerns through employee representative, their supervisors, HR department, and anonymous complaint could be raised via suggestion box.

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

Details:

Based on the meeting records < Communication meeting of management and employees>, the meeting should conduct quarterly, the factory has retained the meeting records. The worker representative was elected by staffs voluntary.

- Worker interview
- Worker representative interview
- Management interview

Any other comments:
Nil

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

- Union (name)
- Worker Committee: 1 worker representative was elected on 22 June, 2022.
- 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The E-mail address and telephone number of top management were posted in and workshop area and workers can address their complaints by E-mail and telephone calls. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility offers meeting room for worker committee holding meeting, offers activity centre to operate some forum between worker representatives and workers.	
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 committee	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	XXXXXXXXXX
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 22 June, 2022
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: 1 worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	1 worker representative was elected by employees themselves without any interference by management in the factory on 22 June, 2022, the facility provided the ballot result of candidates for review. The last communication meeting was held on 01 Mar, 2023 with topic of workshop condition and lasting for about one hour. Meeting minutes was shared with all workers through posting on the board.	

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

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

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

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:

1. A health and safety committee is made up of managers, supervisors and employees/workers. The committee meetings regularly discuss health and safety risks in the production site, organise training, analyse accident records and agree potential solutions to minimise risks and protect workers.
2. XXXXXX / Workshop Director was appointed responsible for H&S issues in the factory.
3. The management understood the principles of risk assessment on health and safety and the assessment reports retained for review.
4. The health and Safety policy/manual/procedures were checked and communicated to employees. But through document review and management interview, it was found that the facility did not conduct test or evaluation of occupational hazards in the workshop where high noise and dust elements existed. For details please refer to NC 5 - 3 Safety and Hygienic Conditions - 5. On the other hand, through document review, management interview and employee interview, it was found that not any kind of occupational health exam was provided to the employees who was exposed to high noise and dust element. For details please refer to NC 6 - 3 Safety and Hygienic Conditions - 6.
5. Through document review and management interview, the factory failed to provide the Construction project completion acceptance check of one 2-storey production building and one 3- storey dormitory building used by the factory. As per the facility management, the 2- storey production building was built in 2010 and the 3-storey dormitory building was built in 2002, but no evidence should be provided to prove that. For details please refer to NC 3 - 3 Safety and Hygienic Conditions - 3. On the other hand, through document review and management interview, the factory failed to provide the Fire Safety Approval of all the buildings used by the factory, including two 2- storey buildings and two 3-storey buildings. For details please refer to NC 4 - 3 Safety and Hygienic Conditions - 4.
6. The necessary protective equipment is provided free of charge as risk assessment and replaced on a regular basis.
7. For the electricity management, there was sufficient space around the electric installation and electric wire, the distribution wires in the warehouse were placed in metal or flame-retardant plastic pipes for protection. But through site tour and management interview, it was found that 2 out of 20 electrical control panels sampled onsite were not equipped with outer cover. For details please refer to NC 1 - 3 Safety and Hygienic Conditions - 1. On the other hand, through site tour and management interview, it was found that 2 out of 20 sampled electric control panels were not installed with warning sign of electricity. For details please refer to NC 2 - 3 Safety and Hygienic Conditions - 2.

8. The dangerous machine has safety check and maintenance records are retained and protective guards were installed to all production machines.
9. Chemicals (eg. lubricating oil) were used and safety devices such as explosive prevention and anti-leakage for its dangerous chemical material stored in warehouse were available. Workers in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
10. Sufficient fire-fighting equipment were in place and maintained in a good condition. Total twice fire drills were conducted and once involves setting off the fire alarm without warning anyone to assure that all workers understand how to escape from the buildings calmly but quickly. The fire drill records indicated the evacuation time, employee numbers participated in the fire drills etc. The last fire drill was conducted on 13 Mar, 2023.
11. All necessary certificates for operators were available, e.g. electrician certificate.
12. Sufficient clean toilets segregated by gender were available at all times to workers. Water was provided for workers and the factory obtained the testing report of drinking water.
13. Employees were trained on machine safety, chemical safety, etc. and training material was reviewed.
14. The factory provided dormitory for workers, but did not provide canteen or kitchen for workers. There are 30% of workers staying in the dormitory. The facility provided sufficient fire fighting equipment and the last fire drill was conducted on 13 Mar, 2023.
15. There were 2 first aiders trained in the facility and all necessary medical supplies in first-aid kit were adequate.

Totally, in Section 3: Working Conditions are Safe and Hygienic, there were six non-compliances found. For details please refer to the contents of Non-compliances.

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

Details:

1. Health and safety policy
2. Health and safety committee meeting minutes
3. Workplace risk assessment review dated 04 Jan, 2023
4. Emergency preparedness procedure
5. Employee induction training records
6. Awareness training on Workplace safety, PPE usage and risk assessment dated 16 Mar, 2023
7. Health & safety and hygiene training dated 16 Mar, 2023
8. Fire evacuation and drill training record (latest) dated 13 Mar, 2023
9. Fire-fighter training record (latest) dated 13 Mar, 2023 for 33 employees
10. First-aid training certificates for 2 workers from the Red Cross
11. Drinking water test report
12. Electrician license valid from 2020-07-25 to 2026-07-24
13. Safety equipment like emergency light, fire alarm, etc., maintenance records
14. Accident register - No accident register in last 12 months
15. Interviews with H&S manager
16. Interviews with workers and H&S committee members

Any other comments:

Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose

- Yes
 No

A1: Please give details: the facility established Health & Safety and occupational Health & Safety policies and procedures

and are these communicated to workers?	that are fit for purpose and trained the employees every three months.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The policies are included in worker's 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 without required permits/inspections
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: Visitor's badges had H&S information on them and the visitor was requested to read it.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room or medical facility provided for workers. There were adequate first aid kits in each production area and they were well stocked.
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: There were 2 first aiders, and they have been trained at a local hospital. The first aiders were identified by Red Cross Society.
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: N/A, no transport was provided.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility provided secure personal storage space for workers in their dormitory rooms.
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: The H&S risk assessment was conducted through H&S committee and internal audit team on 04 Jan, 2023.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J1: Please give details: Through document review and management interview, no final acceptance report for environment protecting of the facility was provided for review. For details please refer to NC 9 - 10B4 Environment 4-Pillar - 1.

3. Description of non-compliance:

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

It was noted that through document review and management interview, the factory failed to provide the Construction project completion acceptance check of one 2-storey production building and one 3- storey dormitory building used by the factory. As per the facility management, the 2- storey production building was built in 2010 and the 3-storey dormitory building was built in 2002, but no evidence should be provided to prove that.

Local law and/or ETI requirement:

In accordance with the **Construction Law of the People's Republic of China Article 61**, a construction project handed over for acceptance checks for completion must conform to the prescribed construction project quality standards, be provided with complete project technical and economic data and signed project warranty, and be provided with other qualified conditions for completion as prescribed by the state. A construction project may only be handed over for use upon passing the acceptance checks for completion; no construction project shall be handed over for use without going through the acceptance checks for completion or passing the acceptance checks for completion.

ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that management should provide the Construction project completion acceptance check or Property ownership certificate of all the buildings for review.
(Recommended Completion Timescale: 30 days)

4. Description of non-compliance:

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

It was noted that through document review and management interview, the factory failed to provide the Fire Safety Approval of all the buildings used by the factory, including two 2- storey buildings and two 3-storey buildings. As per the facility management, one 2- storey production building was built in 2010, and the rest three buildings were built in 2002, but no evidence should be provided to prove that.

Local law and/or ETI requirement:

In accordance with **PRC Fire Prevention Law article 11 The Ministry of Public Security of the State Council prescribes**, for those densely populated places and special construction works, design documents shall be submitted to public security organs for safety review. Public security fire control institutions shall be responsible for the result.

Article 13 the project completed with fire control design in accordance with the requirements of the State Technical Standards on Fire Control for

3. Per document review and management interview

4. Per document review and management interview

Engineering Construction shall go through acceptance check and filing as stated below:

1. As is stated in Article 11, construction units shall apply to the public security fire control institutions for fire control acceptance check.
2. Other construction works and construction units shall file with public security fire control institutions and public fire control institutions shall conduct random inspection.

Construction projects which are supposed to go through fire control acceptance check but do not or considered unqualified shall not be put into use. Other projects considered unqualified after acceptance check in accordance with law shall not be put into use.

ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that management should provide Fire Safety Approval of all the buildings for review.

(Recommended Completion Timescale: 30 days)

5. Description of non-compliance:

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

It was noted that through document review and management interview, the facility did not conduct test or evaluation of occupational hazards in the workshop where high noise and dust elements existed.

Local law and/or ETI requirement:

In accordance with **Provisions on the Supervision and Administration of Workplace Occupational Health Article 20**, An employing entity with occupational hazards shall entrust an occupational health technical service agency with corresponding qualification to conduct evaluation on occupational hazard factors at least once every year. An employing entity with severe occupational hazards shall, in addition to the above requirement, entrusts an occupational health technical service agency with corresponding qualification to conduct assessment on occupational hazard status at least once every three years. The results of the evaluation and assessment shall be kept in archive, reported to local administration department of work safety, and announced to the workers.

ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is recommended that occupational hazards test or evaluation should be conducted in all the workshop where occupational hazardous existed.

(Recommended Completion Timescale: 30 days)

5. Per document review and management interview

<p>6. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that through document review, management interview and employee interview, not any kind of occupational health exam was provided to the employees who was exposed to high noise and dust element.</p> <p>Local law and/or ETI requirement: In accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases article 35, the employer shall conduct regular occupational health examination for those laborers who are engaged in using or contacting noxious articles in their working process as required by medical administrative department under the State Council. The occupational health examination should be conducted before laborers start to take work post, in the course of the work post and after leave the work post and employer should inform the laborers of the result of the occupational health examinations. The expense of the occupational health examination should be borne by employers. Employer should not arrange laborers without the occupational health examination to be engaged in the work with using or contacting noxious articles, or laborers with any occupational prohibitions to be engaged in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational disease in relation to his or her occupation, the employer shall transfer such a laborer out of his or her original work post, and allocate him or her in a proper way. Employer should not rescind or terminate the contracts signed with those employees without the occupational health examination at time of leaving the work post. ETI Base Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that the facility should provide pre-job, on-job and job-leaving occupational health checks to all employees who were exposed to occupational hazardous elements. (Recommended Completion Timescale: 30 days)</p>	<p>6. Per document review, management interview and employee interview</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:

Description of Good Example (GE):
None observed.

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 facility established written procedure or instruction to check each employees and candidate age.
- 2. The factory kept the age evidence such as copies of original Id cards or other evidence that has been produced.
- 3. The facility management knows how to check for fraudulent documents.
- 4. After checking records of hiring and terminations for the previous 12 month period to see, no child labor being sacked in the run-up to the audit. The youngest employee was over 29 years old.

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

Details:

The procedure of <Recruiting regulation> was available for review, the personnel files with ID copy were available for review, the contracts with all the employees were available for audit, and the roster had established by the factory.

Management interview

Worker interview

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	29 years old (the worker was born on 15 Jan, 1994 and joined on 01 Mar, 2022)
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)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A. There was no worker under 18 in the facility.

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 observed. Local law and/or ETI requirement: N/A Recommended corrective action: N/A	Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A

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

Good Examples observed:	
Description of Good Example (GE): None observed.	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 regular wage standard and overtime calculation was defined in labour contract and employee manual.
2. Based on payrolls from Mar 2022 to Feb 2023, all employees were paid by hourly-rate and the payment exceeded local legal minimum wage.
3. The local minimum wage standard in Tonglu County, Hangzhou City, Zhejiang Province is RMB 2070 per month (equivalent to RMB 11.90 per hour) since 1st August, 2021. The actual lowest basic wage in the facility was RMB 2400 per month (equivalent to RMB 13.80 per hour) since 1st Mar, 2022.
4. Wages are paid by cash on 30th of the following month and pay slip is issued for each pay period.
5. No any illegal deduction (e.g. employment broker fees, fines etc.) or withholdings are made from wages.
6. The wages office was well organised with a good controlled set of processes which are understood by all employees.
7. All workers are 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.
8. Benefits of paid, annual leave, was given to all workers and child-bearing leave to appropriate workers.
9. All legally mandated allowances and benefits are provided to some of the employees.
10. Through document review, management interview and employee interview, It was found that not all employees had participated in all 5 types of social insurance. There were 33 employees in the factory, including 10 retired employees and no employee resigned or newly hired after Mar 2023, so the factory should provide social insurance to 23 employees in Mar 2023. According to the social insurance payment receipt provided in Mar 2023, the facility purchased Work-related Injury Insurance, Endowment Insurance, Medical Insurance, Maternity Insurance and Unemployment Insurance to 70% (16 out of 23) employees. Remark: The facility provided commercial injury insurance to 17 employees from Zheshang Property and Casualty Insurance with a valid period of one year. For details please refer to NC 7 - 5 Living Wages and Benefits - 1.

Totally, in Section 5: Living Wages are Paid, there was one non-compliance found. For details please refer to the contents of Non-compliance.

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

Details:

Document review

Worker interview

Local and national laws

Wages and benefits policy

Local legal minimum wage documents

Payroll records from Mar 2022 to Feb 2023

Leave records

Social insurance and payment receipts from the local labour department

Labour contracts for all employees (to examine agreed wage rates)

Resignation records

Payslips of all workers interviewed

Hours records to check hourly rates and any overtime premiums

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that through document review, management interview and employee interview, not all employees had participated in all 5 types of social insurance.

There were 33 employees in the factory, including 10 retired employees and no employee resigned or newly hired after Mar 2023, so the factory should provide social insurance to 23 employees in Mar 2023. According to the social insurance payment receipt provided in Mar 2023, the facility purchased Work-related Injury Insurance, Endowment Insurance, Medical Insurance, Maternity Insurance and Unemployment Insurance to 70% (16 out of 23) employees. Remark: The facility provided commercial injury insurance to 17 employees from Zheshang Property and Casualty Insurance with a valid period of one year.

Local law and/or ETI requirement:

In accordance with the **Labor Law of the People's Republic of China article 72**, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labour shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness or injury, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child-bearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.

ETI Base Code 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards,

Objective evidence observed:

(where relevant please add photo numbers)

1. Per document review, management interview and employee interview

<p>whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: It is recommended that the facility should ensure all employees participate in all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. (Recommended Completion Timescale: 60 days)</p>	
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: Not exceed 3 hours per day and 36 hours per month	B1: Maximum 2 overtime hours per day, 14 overtime hours per week and 54 overtime hours per month (For details please refer to NC 8 - 6 Working Hours	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		- 1.)	
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: The local minimum wage standard in Tonglu County, Hangzhou City, Zhejiang Province is RMB 2070 per month (equivalent to RMB 11.90 per hour) since 1 st August, 2021.	C1: The actual lowest basic wage in the facility was RMB 2400 per month (equivalent to RMB 13.80 per hour) since 1 st Mar, 2022.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150% of employee normal rate for weekdays, 200% of employee normal rate for rest days, and 300% of employee normal rate for holidays.	D1: 150% of employee normal rate for weekdays, 200% of employee normal rate for rest days, and 300% of employee normal rate for holidays.	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 <i>(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)</i>	10 samples from June 2022 (randomly selected month) 10 samples from Oct 2022 (randomly selected month) 10 samples from Feb 2023 (current month)
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

<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> The actual lowest basic wage in the facility was RMB 2400 per month (equivalent to RMB 13.80 per hour) since 1st Mar, 2022.</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100_% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> As per the payroll journals provided, high temperature allowance of RMB 300 from June to September in a year was provided to all the employees in the facility.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Personal contribution of social insurance, income tax</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Income tax 2. Nil Please describe: The deduction was made as required by the local law.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Personal contribution of social insurance 2. Nil Please describe: the payment of Personal contribution of social insurance was paid by facility.</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>L: Do records reflect all time worked? (For instance, are workers asked to</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:		

attend meetings before or after work but not paid for their time)	All records reflect all time worked for workers.
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: NA
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: NA
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: There was an annual review when local wage rates were examined.
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: Through factory rules review, payroll records review and employee's interview, it was confirmed that equal rates were being paid for equal work.
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. Through employees' interview, overtime is voluntary.
2. The factory provided hour records from 1st Mar, 2022 to the audit day and wages records from Mar 2022 to Feb 2023.
3. The working time is recorded by electronic attendance system and the factory detail IN/OUT for the beginning and end of morning, afternoon and overtime.
4. According to time records and worker interview basic working hours were 8 hours per day and a max 40 hours per week.
5. Total overtime was maximum 2 overtime hours per day, maximum 14 overtime hours per week which was within the ETI Base Code and the legal limit, but maximum 54 overtime hours per month exceeded the legal requirement of 36 hours per month. For details please refer to NC 8 - 6 Working Hours - 1.
6. Ensure working hours, breaks, holidays and rest periods are in accordance with local law, also verified through production records review and employee interviews.

- 7. Look for management systems of working hours being in place that allow workers to volunteer to do overtime.
- 8 . The normal working period is 5 days per week from Monday to Friday, 8 hours a day in one shift for office and workshops. The normal working hour is 08:00 to 17:00 with 1.0 hour's rest from 11:00 to 12:00.
- 9 . All workers work 6 consecutive days with at least 1 day rest.

Totally, in Section 6: Working Hours are not Excessive, there was one non-compliance found. For details please refer to the contents of Non-compliance.

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

Details:

- Employee interview
- Management interview
- Local and national laws
- Factory policy on working hours
- Attendance records from 1st Mar, 2022 to the audit day
- Electronic time logging system
- Sample pay slips with recorded hours all workers interviewed
- Quality and production records to cross check hours
- Workers contracts
- Hours records from 1st Mar, 2022 to the audit day to establish highest and lowest hours

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that through document review, management interview and employee interview, the working hour records and payrolls of workers in sampled June 2022, Oct 2022 & Feb 2023 provided by the facility showed, 10 out of 10 sampled workers in June 2022, Oct 2022 & Feb 2023 overtime worked for 52, 52 and 54 hours respectively, exceeded the legal requirement of 36 hours.

Local law and/or ETI requirement:

In accordance with **the PRC Labour Law article 41**, the employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

Objective evidence observed:

(where relevant please add photo numbers)
1. Per document review, management interview and employee interview

<p>ETI Base Code 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.</p> <p>Recommended corrective action: It is recommended that the facility should ensure the overtimes of workers in accordance with the legal requirement. (Recommended Completion Timescale: 60 days)</p>	
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

Working hours' analysis <i>Please include time e.g. hour/week/month</i> (Go back to Key information)	
Systems & Processes	
<p>A. What timekeeping systems are used: time card etc.</p>	<p>Describe: Electronic time logging system</p>
<p>B: Is sample size same as in wages section?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details NA</p>

<p>C: Are standard/contracted working hours defined in all contracts/employment agreements?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>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: NA</p>			
<p>D: Are there any other types of contracts/employment agreements used?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>D1: If YES, please complete as appropriate:</p>			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		<p>If "Other", Please define:</p>			
		<p>NA</p>			
<p>E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>E1: If yes, please detail hours, %, types of workers affected and frequency Please give details: NA</p>			
<p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?</p>	<p>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:</p>	<p>F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>			
	<p>Maximum number of days worked without a day off (in sample):</p>				
	<p>6</p>				
<p>Standard/Contracted Hours worked</p>					
<p>G: Were standard working hours over 48 hours per week found?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>G1: If yes, % of workers & frequency:</p>			
		<p>N/A</p>			
<p>H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>H1: If yes, please give details:</p>			
		<p>N/A</p>			
<p>Overtime Hours worked</p>					

<p>I: Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours: 2 hours per day in June 2022 (randomly selected month) 2 hours per day in Oct 2022 (randomly selected month) 2 hours per day in Feb 2023 (current month)</p> <p>14 hours per week in June 2022 (randomly selected month) 14 hours per week in Oct 2022 (randomly selected month) 14 hours per week in Feb 2023 (current month)</p> <p>52 hours per month in June 2022 (randomly selected month) 52 hours per month in Oct 2022 (randomly selected month) 54 hours per month in Feb 2023 (current month)</p>	
<p>J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>___85___%</p>	
<p>L: Is overtime voluntary?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p>	<p><i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i> Contracts stated that overtime may be requested but it was voluntary.</p>
<p>Overtime Premiums</p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p>	<p><i>M1: Please give details of normal day overtime premium as a % of standard wages:</i> Normal day overtime premium as 150% of standard wages.</p>
<p>N: Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p><i>N1: If yes, please describe % of workers & frequency:</i> 150% of employee normal rate for weekdays, 200% of employee normal rate for rest days, and 300% of employee normal rate for holidays.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><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 N/A</p>	
	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>	

	N/A
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p> <input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other: N/A, The max weekly working hours were 54 </p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: </p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>

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. As informed by interviewed workers, most employees spoke highly of the factory owner.
2. No worker was required to do the examination of the hepatitis B virus and HIV.
3. Based on site tour and employee interviews, no any segregation of workers is due to accepted cultural norms and that equal opportunities still apply across all groups.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit.
5. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
6. There was an internal grievance process.
7. There was no evidence of sexual harassment.

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

Details:

The hiring and termination procedure, leave application records and employee handbook

Payrolls

Attendance records

Termination records

Training records

Employment contracts were provided for review and they showed that male and female employees were on the same pay grade

Management interview and employee interview

Any other comments:

Nil

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: <u>25</u> % A2: Female <u>75</u> %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>#: 0</p>

<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: There was no any evidence of discrimination observed during this audit.</p>
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Professional Development

<p>A: What type of training and development are available for workers?</p>	<p>All workers Were given H&S training. Females as well as males were trained to become supervisors and managers.</p>
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<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If no, please give details:</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A</p>

Observation:

<p>Description of observation: None observed.</p> <p>Local law or ETI requirement:</p>	<p>Objective evidence observed: N/A</p>
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<p>N/A</p> <p>Comments: N/A</p>	
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<p style="text-align: center;">Good Examples observed:</p>	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

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:

All the labour contracts of employees were provided for review, as per the labour contract all employees were hired by the facility directly. None of contract labour or temporary worker was employed by the facility. As reported by the interviewees, they signed labour contracts with the facility within one week upon hiring, and everyone obtained a copy of labour contract.

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

Details:

Personnel files were checked and they all included a copy of employee's contract

Management interview and employee interview

The hiring and termination records

Worker interview

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers) N/A</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

Responsible Recruitment

All Workers	
<p>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?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:</p>

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:	
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	
A: Type of work undertaken by migrant workers:	All types of work were undertaken by migrant workers.
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 (Remark: all workers are directly recruited by the facility.)
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
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 1 migrant worker was engaged in work of workshop management.

workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
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

<p>D: Is there a legal contract / agreement with all agencies?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A</p> <p>D1: Please give details: N/A</p>
<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A</p> <p>E1: Please give details: N/A</p>

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

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:

1. Through the factory management and workers interview, it was noted that the factory did not use home worker.
2. The factory needed to purchase the raw material such as plastic materials from other factories. After processing, the factory sent semi-finished goods to the subcontractor to conduct printing. Printing process for pens was subcontracted. Based on management interview and document review, the factory had conducted assessment of ETI code among the suppliers and chosen the qualified suppliers.
3. The factory had provided positive evidence to prove that the sub-contracting was notified to main client and agreed by them.

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

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

Process Subcontracted	Process 1 Printing	Process 2 N/A
Name of factory	XXXXXXXXXXXXXXXXXX	N/A
Address	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXChina	N/A

Details:

- Site tour (Calculation on total production and estimated capacity)
- Materials in/out records
- Management interview
- Worker interview

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI /Additional Elements requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers) N/A</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI/Additional elements requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

Summary of sub-contracting – if applicable <input type="checkbox"/> Not Applicable please x	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: Auditor had made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting.</p>
<p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details: The factory had provided positive evidence to prove that the sub-contracting was notified to main client and agreed by them.</p>
<p>C: Number of sub-contractors/agents used:</p>	<p>1</p>

<p>D: Is there a site policy on sub-contracting?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes, summarise details: The policy stipulated that the sub-contractor should comply with the social accountability policy of auditee, such as prohibition of child labour and forced labor etc.</p>
<p>E: What checks are in place to ensure no child labour is being used and work is safe?</p>	<p>Based on document review, the factory checked whether there was child labour used by sub-contractor and work is safe when conducting social accountability audit.</p>

<p align="center">Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x</p>			
<p>A: If homeworking is being used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes, summarise details:</p>		
<p>B: Number of homeworkers</p>	<p>B1: Male:</p>	<p>B2: Female:</p>	<p>Total:</p>
<p>C: Are homeworkers employed direct or through agents?</p>	<p><input type="checkbox"/> Directly <input type="checkbox"/> Through Agents</p>		<p>C1: If through agents, number of agents:</p>
<p>D: Is there a site policy on homeworking?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>E: How does the site ensure worker hours and pay meet local laws for homeworkers?</p>			
<p>F: What processes are carried out by homeworkers?</p>			
<p>G: Do any contracts exist for homeworkers?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:</p>		
<p>H: Are full records of homeworkers available at the site?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>		

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>A1: Please give details: E-mail address and telephone number of local labour bureau was posted in the public notice board and it was used as the reporting grievance to a 3rd party for any complaint from the employer. There was also suggestion box, and an internal confidential email address for reporting grievances.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Based on interview with workers, they understood how to use these channels.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Confidential email, issues were discussed at senior management level and investigated by the responsible person.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other</p> <p>D1: Please give details: As per management interview, document review and workers interview, there was a policy on Harsh Treatment, There is an internal process for grievance, which is an anonymous email address, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the worker in question.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>E1: If yes, please give details</p>
<p>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)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F1: If no, please give details: This matter was not discussed with the facility's business partners.</p>

<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

Current Systems and Evidence Examined

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

Current systems:

1. According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
2. As per management interview, document review and workers interview, there was a policy on Harsh Treatment,
3. There is an internal process for grievance, which is an anonymous email address, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the worker in question.
4. No fines were made.
5. Interviewing with the management HR responsible person, they understand the practice and grievance mechanism.

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

Details:
The relevant policy on prevention of harassment and abuse
Internal grievance procedure documentation
Training records
Management interview and employee

Any other comments:
Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers) N/A</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Per document review, factory management representation and worker interview, all workers in the factory were Chinese. Among them, there are 55% local workers and 45% other province migrant workers. All workers had the proper legal rights to work in this region. The youngest worker's age was 29 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.
2. No agency staff or foreign worker was used by the factory.
3. All the employees were kept ID copies in the personnel file.
4. All the employees have signed the labour contract, they can obtain pay slip before they took wage, payrolls were provided for audit, and Electronic attendance lists were kept.
5. The factory recruit new worker only through posting recruiting advertisement and internet, some of workshop employees were introduced by fellow-villager, the workers have not paid any deposit when they were recruit in the factory.
6. There were not any deductions for items such as travel and equipment.

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

Details:

- Hiring procedure
- Personnel files
- Worker handbook
- Worker interview
- Management interview

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI /Additional Elements requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers) N/A</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI/Additional Elements requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

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:

1. 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 and the Approval of environmental impact assessment document were available and valid during this audit. But through document review and management interview, no final acceptance report for environment protecting of the facility was provided for review. For details please refer to NC 9 - 10B4 Environment 4–Pillar - 1. The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law.
2. Hazardous waste was treated by a qualified unit.
3. Based on workers interview, they were trained on environmental protection.
4. The factory had established an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

5. The factory was aware of the significant environmental impact of their site and its processes.
6. 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.
7. The factory had sought to make continuous improvements in their environmental performance.
8. The factory had a nominated Ms. Chai Zhengwen / Office Director responsible for co-ordinating the site's efforts to improve environmental performance.
9. There were not any fines/prosecutions for noncompliance to environmental regulations identified.

Totally, in Section 10B4: Environment 4–Pillar, there was one non-compliance found. For details please refer to the contents of Non-compliance.

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

Details:

- Environmental policy and procedures
- Environmental impact report form and approval
- Pollutant discharge permit
- Management interview
- Worker interview
- Site tour
- Energy bills
- Water bill

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that through document review and management interview, no final acceptance report for environment protecting of the facility was provided for review.

Local law and/or ETI/Additional Elements requirement:

In accordance with the **Measures for Administration of Environmental Protection Acceptance Check upon Completion of Construction Project article 17**, For construction units accord with the acceptance check conditions prescribed in Article 16, competent departments of environmental protection administration shall approve the application report of environmental protection acceptance check, application form of environmental protection acceptance check or registration card of environmental protection acceptance check. For construction projects with a registration card of environmental protection acceptance check upon completion of project completed, competent departments of environmental protection administration shall, after checking, give the opinions on the registration card of environmental protection acceptance check and make approval decisions. Construction projects without official approval on the application report, application form or registration card of environmental protection

Objective evidence observed:

(where relevant please add photo numbers)
 1. Per site tour, document review and management interview

<p>acceptance check upon completion of projects shall not be put into production or use.</p> <p>SMETA Additions: 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>Recommended corrective action: It is recommended that the facility should apply the environmental protection acceptance check for their construction project as per legal requirement. (Recommended Completion Timescale: 60 days)</p>	
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI/Additional elements requirements: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective Evidence Observed: N/A</p>

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):	Ms. Chai Zhengwen / Office 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: Site conducted an internal risk assessment on the environmental impact of the site.
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: The site has no recognised environmental system certification.
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 Environmental policy was public in the company's notice board.
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 key impacts are waste generating, air emissions, noise emissions. And the site had set the rated energy conservation and emission reduction policy.
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 give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The facility did not have any other environmental certificates.
H: Have all legally required permits been shown? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: The registration form of environmental impacts of the construction and the approval of environmental impact assessment document were available and valid during this audit. But no final acceptance report for environment protecting of the facility was provided for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The site has a documentation process to record hazardous chemicals 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: This was included in the facility's internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Reduction targets were established to reduce costs.
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: Weights of recycled wastes were recorded for continuous improvement targets
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 facility measured to reduce costs and monitored the consumption of key utilities of water, energy and natural resources.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: There were procedures to control and manage business partners and the factory communicated the environmental expectation to its suppliers.

Usage/Discharge analysis

Criteria	Previous year: Please state period: 2022 (Jan to Dec)	Current Year: Please state period: 2023 (Jan to Mar)
Electricity Usage: Kw/hrs	992,758 Kwh	188,052 Kwh
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	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
If Yes , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Municipal water supply 	<ul style="list-style-type: none"> Municipal water supply
Water Volume Used: (m³)	3,570 m³	918 m³
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> Municipal sewage treatment plant 	<ul style="list-style-type: none"> Municipal sewage treatment plant

Water Volume Discharged: (m ³)	3,570 m ³	918 m ³
Water Volume Recycled: (m ³)	0	0
Total waste Produced (please state units)	15,000 kg	3,000 kg
Total hazardous waste Produced: (please state units)	40 kg	10 kg
Waste to Recycling: (please state units)	12,000 kg	2,200 kg
Waste to Landfill: (please state units)	0	0
Waste to other: (please give details and state units)	2,960 kg (Delivered to Xinmin Road Waste Disposal Station)	790 kg (Delivered to Xinmin Road Waste Disposal Station)
Total Product Produced (please state units)	30,000,000 pcs	6,000,000 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. Ms. Chai Zhengwen / Office Director was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

2. The company established a business ethics policy which was communicated to workers through posters and training.

3. The site had received and read the Business Ethics policy of the auditor/audit company.

4. There is an internal grievance process on site.

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

Details:

The company business ethics policy including

- a. Bribery
- b. Corruption

Training records
 Worker handbook
 Reports from Anonymous email account
 Management interview
 Worker interview

Any other comments:
 Nil

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI/Additional Elements requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers) N/A</p>

Observation	
<p>Description of observation: None observed</p> <p>Local law or ETI/Additional elements requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>

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

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details:</p> <p>There was a written policy on the need to avoid bribes and fraudulent practices</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details:</p> <p>The site provided training records about sales and logistics member on business ethics for review.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details:</p> <p>Examined each year by HR department and adjusted if needed.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D1: Please give details:</p> <p>No discussion on this topic with third parties.</p>

Other findings

Other Findings Outside the Scope of the Code

Noting to report.

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)










Noting to report.

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

		
<p>Business license</p>	<p>Factory gate</p>	<p>Production building</p>
		
<p>Material mixing workshop</p>	<p>Material crushing workshop</p>	<p>Mold injection workshop</p>
		
<p>Assembly workshop</p>	<p>Inspection and packing workshop</p>	<p>Raw material warehouse</p>



Half-finished product warehouse

Packing material warehouse

Finished-goods warehouse



Chemical storage area

MSDS displayed

Eyewash equipment



Normal pressure of fire extinguisher

Fire alarm

Exit and emergency light



Fire extinguishers

Fire hydrant

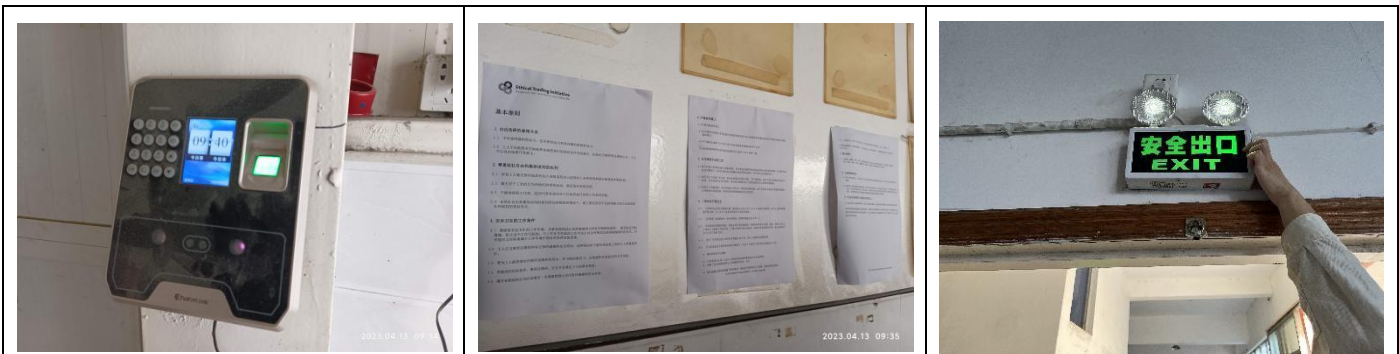
Evacuation aisle marked



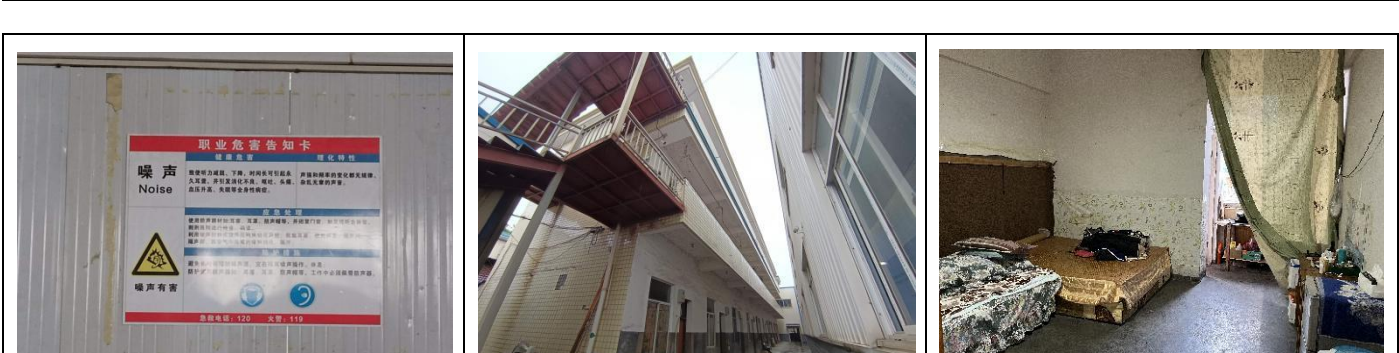
Evacuation plan displayed Drinking water First-aid kit




Suggestion box Clean toilet Electrical control panel



Electronic working attendance machine ETI Base Code displayed Emergency light testing



Noise warning sign Exterior view of building Interior view of dormitory

Occupational hazard notification card	Dormitory building	Dormitory room
	N/A	N/A
Evacuation direction prompt	N/A	N/A

NC photos:

		N/A
NC photo 1: electrical control panel not equipped with outer cover.	NC photo 2: electric control panel not installed with warning sign of electricity.	N/A



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

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[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)

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

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