

# SMETA •

## Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <small>(only available on Sedex System)</small>	XXXXXXXXXX	Sedex Site Reference: <small>(only available on Sedex System)</small>	XXXXXXXXXXXXXXXXXXXX
Business name (Company name):	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
Site name:	XXXXXXXXXXXXXXXXXXXXXXXXXXXX		
Site address:	XXX XXXXXXXXXXXX CN	Country:	CN
Site contact and job title:	Ms. XXXXXXXXXX / Sales Manager		
Site phone:	XXXXXXXXXXXX	Site e-mail:	XXXXXXXXXXXX
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-07-03		

Audit Company Name:
BUREAU VERITAS CPS - ASIA

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

## Audit Content:

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

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

### 2- Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Peter A Chen	APSCA Number:	21705041
Additional Auditors:			
Date of declaration:	2024-07-05		

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

Site Representation	
Full Name:	Ms. xxxx xxxxxxxxxxxx
Title:	Sales Manager
Date of declaration:	2024-07-05
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	1	GE - ZAF600548761
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1	§1 §2	2	0	0	NC - ZAF600548764 NC - ZAF600548765
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1	§3	1	0	0	NC - ZAF600548762
<u>6 - Working hours are not excessive</u>	6.1	§4	1	0	0	NC - ZAF600548763
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

## Local Law Issues

Issue	Description
§1	根据《中华人民共和国安全生产法》第45条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。 Legal Requirement: In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.

§2	<p>Legal Requirement: In accordance with article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, firefighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptis, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof. 根据《危险化学品安全管理条例》第20条 生产、储存危险化学品的单位，应当根据其生产、储存的危险化学品的种类和危险特性，在作业场所设置相应的监测、监控、通风、防晒、调温、防火、灭火、防爆、泄压、防毒、中和、防潮、防雷、防静电、防腐、防泄漏以及防护围堤或者隔离操作等安全设施、设备，并按照国家标准、行业标准或者国家有关规定对安全设施、设备进行经常性维护、保养，保证安全设施、设备的正常使用。</p>
§3	<p>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount. 根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p>
§4	<p>In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>



## Site Details

Site Details		
Company Name	XXXXXXXXXXXXXXXXXX	
Site Name	XXXXXXXXXXXXXXXXXXXXXX	
GPS location (if available)	<b>GPS Address:</b>	XXXXXXXXXXXXXXXXXXXX
	<b>Coordinates:</b>	XXXXXXXXXXXXXXXXXXXX
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: xxxxxxxxxxxxxxxxxxxxxx Valid date: 6 September 2017 to long term.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Product: Vacuum cup. Activities: injection, metal processing, shaping, welding, spraying plastic, painting, silk printing, polishing, vacuuming, assembly and packing	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	xxxxxxxxxxxxxxxxxxxxxx was located at No.41 Mudan Road, xxxxxxxxxxxxxxxxxxxx, China The total building area occupied by the facility was about 47623 square meters. The facility had been in operation at the existing location since 2017. There were total 5 buildings belonging to the audited factory at the audited address, including three 5-storey warehouse and production building, one 6-storey dormitory building, one 6- storey production and canteen combined building. The factory used biometrics time recording system to record working hours of workers. All workers worked in one shift from 07:30-11:30 13:00-17:00 (Summer May-Sep); 7:30-11:30 12:30-16:30 (Winter Oct-Apr) Employees were paid at hourly rate at the end of next month following the pay period (the 1st day to the last day of each month). All employees were paid by bank transfer. The factory had 467 employees (247 males and 220 females), including 37 employees in managerial positions. The youngest employee was 18 years old.	

## Structure and number of buildings

<b>Building Name:</b>		Production 1	
<b>Floor</b>	<b>Description</b>	<b>Remark</b>	
1	Injection	NA	
2	Office	NA	
3	Warehouse	NA	
4	Warehouse	NA	
5	Polishing	NA	
<b>Building Name:</b>		Production 2	
<b>Floor</b>	<b>Description</b>	<b>Remark</b>	
1	Warehouse	NA	
2	Warehouse	NA	
3	Warehouse	NA	
4	Warehouse	NA	
5	Warehouse	NA	
<b>Building Name:</b>		Production 3	
<b>Floor</b>	<b>Description</b>	<b>Remark</b>	
1	Metalworking	NA	
2	Metalworking	NA	
3	Warehouse	NA	
4	Packing	NA	
5	Spraying, silk printing	NA	
<b>Building Name:</b>		Dormitory	
<b>Floor</b>	<b>Description</b>	<b>Remark</b>	
1	dormitory room	NA	
2	dormitory room	NA	
3	dormitory room	NA	
4	dormitory room	NA	
5	dormitory room	NA	
6	dormitory room	NA	
<b>Building Name:</b>		Production and canteen	
<b>Floor</b>	<b>Description</b>	<b>Remark</b>	
1	Shaping	NA	
2	Not for used	NA	
3	Canteen	NA	
4	Not for used	NA	
5	Not for used	NA	
6	Not for used	NA	



Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No obvious crack was found.
Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not required by local law. The factory provided the registration certificate of inspection for completed building construction projects of the factory buildings for review.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	
Process overview	Product: Vacuum cup. Activities: injection, metal processing, shaping, welding, spraying plastic, painting, silk printing, polishing, vacuuming, assembly and packing. Number of production lines: 4 production lines Main equipment used: Injection, punching, polishing, painting machine etc
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Workers' representative was elected in the factory.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 15.4% employees living in dormitory
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Audit Parameters						
Time in and time out	Day 1		Day 2		Day 3	
	In	09:00	In	09:00	In	09:00
	Out	17:00	Out	17:00	Out	12:30
Audit type:	FULL_INITIAL					
Was the audit announced?	SEMI_ANNOUNCED					
Was the Sedex SAQ available for review?	Yes					
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No					
Who signed and agreed CAPR	Ms. Zheng Duo / Sales Manager					
Is further information available	No					

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	No Union Representative in factory		
Reason for absence during the audit	No Union Representative in factory		
Reason for absence at the closing meeting	No Union Representative in factory		

## 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	23	0	0	190	0	0	0	213
Worker numbers – female	20	0	0	197	0	0	0	217
Total	43	0	0	387	0	0	0	430
Number of Workers interviewed – male	1	0	0	12	0	0	0	13
Number of Workers interviewed – female	1	0	0	12	0	0	0	13
Total – interviewed sample size	2	0	0	24	0	0	0	26

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

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 groups of 5
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None
What did the workers like the most about working at this site?	Factory managements were friendly and nice.
Any additional comment(s) regarding interviews:	None
Attitude of workers to hours worked:	Workers were satisfied with the working hours.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

## Attitude of workers:

All workers stated that they were satisfied with their employment at the factory and current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working conditions to their worker representative who would take it to the worker management committee. 2 employees were interviewed for business ethics and 2 employees for environment as this is a 4-pillar audit.

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

The representative of worker committee stated that the working environment was clean and light, and factory managements were nice. Workers' representative was not discriminated but had free access to workers and were encouraged to communicate with workers regarding anything about workers' rights and obligations.

## Attitude of managers:

At the opening meeting, auditor explained the audit scope and the audit standard to the factory representatives. Factory tour, document review, interviews with management members and workers were conducted as scheduled in the audit programs, a full audit was finished under the co-operation of the factory representatives. At the end of the audit, auditor had a closing meeting with factory representatives and all findings were discussed. Factory management signed the CAP and was given a copy.



0A - Universal Rights covering UNGP [Summary of Findings]
<p>0A: Compliance Requirements</p> <p>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.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>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.</p> <p>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.</p>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p><b>Current Systems:</b></p> <p>1. The facility had established a procedure of covering human rights impacts and issues.</p> <p>2. Mr. Li/ manager was responsible for implementing standards concerning Human rights.</p> <p>3. A transparent system was in place e.g. suggestion box.</p>
<p><b>Evidence examined:</b></p> <p>Details: Document review (Policy document, privacy procedure, policy about respecting human right, etc.) Worker interview</p>
<p><b>Any other comments:</b></p> <p>Nil</p>

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had established a policy, which stated that the facility would respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Li Job title: manager
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A suggestion box was provided, and Ms. Cheng/ quality manager checked the suggestion box on monthly basis.

Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers' information was only accessed to designed person.	
<b>Measuring Workplace Impact</b>		
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year	8.0%
	This year	4.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	4.0%	
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0.0%	
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The accidents would be recorded by the designated personnel.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%

% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

OB - Management Systems and code Implementation [Summary of Findings]
<p>OB: Compliance Requirements</p> <p>0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.B.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.</p> <p>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.</p>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p><b>Current Systems:</b></p> <p>Responsibility for meeting the legal and client code requirements was shared between the managers. They were responsible for ensuring the standards were met.</p> <ul style="list-style-type: none"> <li>Ensuring that licenses and business permissions was up to date was the responsibility of the HR department.</li> <li>Overall responsibility for meeting the standards was taken by MR. Li/ manager.</li> <li>There was an internal audit team who took on the role for internal audit on the social standards of the factory and they reported to the Admin and Health &amp; Safety manager to report their findings.</li> <li>Implementation of any necessary changes was then given to the individual department heads after agreement with the factory manager.</li> </ul>
<p><b>Evidence examined:</b></p> <p>Details: Internal audit documents (the quality manager audits the personnel and wages systems of the factory)</p> <p>A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client' s code of conduct and the legal requirements.</p>
<p><b>Any other comments:</b></p> <p>Nil</p>

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No fine was noted in the last 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies and procedures existed that helped to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Overtime was based on workers' free will; no child labour was hired due to strict recruitment procedure.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Trainings regarding to forced labour, child labour, discrimination, harassment & abuse were provided.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training records were provided.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: several system certifications was provided
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Li/ manager was responsible for Human Resources.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Li/ manager was responsible for implementation of the code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established a policy to ensure that all worker information was confidential.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Only assigned responsible could have access to confidential information.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Internal audit was held regularly.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All issues found during risk assessment would be recorded, and a correction plan was taken until the issue was solved.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a policy/code which required labour standards of its own suppliers.
<b>Land Rights</b>	

Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided related land right licenses and permissions.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable in China.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Land rights licenses and permissions was provided for review.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. Facility had no right of land acquisition in China.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was noted.

Good Example		Evidence																		
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## 1 - Freely chosen Employment

### [Summary of Findings]

#### 1: Compliance Requirements

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

### Current Systems and Evidence Examined

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

#### Current Systems:

There was no forced, boned or involuntary prison labour. A policy which prohibits forced labour was available for review. A non-formalised application 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. According to interview with workers and management, overtime was voluntary and workers could choose work overtime or not independently.

#### Evidence examined:

Details:

Document review (Policy documents, factory rules, employee handbook, etc.)

Worker interviews

Workers' contracts and personnel files

#### Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Are there any restrictions on workers' freedom to terminate employment?

☐ Yes ☒ No

Please give details:

There was no any restrictions on workers' freedom to terminate employment.

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?

☐ Yes ☐ No ☒ Not Applicable

Please give details:

NA

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?

☐ Yes ☒ No

Please give details:

Employees could leave factory freely at the end of the work day.

Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable  Please give details: All qualified suppliers needed to meet with local law and client requirement, and factory had established a procedure to assess its supply chain yearly; the workers of suppliers were affected.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Annual risk assessment was taken.

## 2 - Freedom of Association and Right to Collective Bargaining are Respected

### [Summary of Findings]

#### 2: Compliance Requirements

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

### Current Systems and Evidence Examined

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

#### Current Systems:

The factory didn't hinder free association and bargaining via interview. There was evidence of a worker's committee. The committee member was chosen by workers freely.

#### Evidence examined:

##### Details:

Document review (Factory policy, electing records, meeting records, etc.)

Interviews with workers, worker's committee members and management.

#### Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Workers' representative was elected in the factory.
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 Please give details: A meeting room and relevant facilities.
Name of union and union representative, if applicable:	NA
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable

If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All workers were aware of who their representatives were.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-03-29
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The recent meeting was held on June 20, 2024. The topic was about the health and safety issue.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### 3 - Working Conditions are Safe and Hygienic

#### [Summary of Findings]

#### 3: Compliance Requirements

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

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

### Current Systems and Evidence Examined

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

#### Current Systems:

##### 1. General Health and Safety Management

- Potable water was available and free to approach in all areas of the factory.
- Toilets were sufficient, clean and segregated by gender, which were available for use by employees all the time.
- Ventilation, temperature and lighting were adequate for the production areas.
- H&S committee was established. And workers joined the committee.
- Meetings were held between the H&S committee (workers) and the H&S manager.

##### 2. Fire Safety

- There were at least 2 exits from each work area and were clearly marked.
- Fire drills were conducted and recorded twice per year. The latest fire drills were conducted on October 26, 2023 and Mar 20, 2024.

##### 3. Electrical and Machine Safety

- Regular inspection of electrical equipment was conducted of each month.

##### 4. Medical Services

- There were adequate first aid kits in workshop and they were well stocked.
- There were 5 first aiders in the factory.

##### 5. Chemical safety

- Chemical safety procedure was available in the factory, chemical training was provided to employees.

#### Evidence examined:

##### Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Government licenses
- Trained first aider register
- Accident reports
- Chemical list and MSDS for each chemical
- Potable water testing certificates
- Interviews with H&S manager
- Interviews with workers and H&S committee members



#### Any other comments:

Nil


Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the health and safety procedure, and all procedure was shared with employees per training.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The worker' s manual was including the policy and procedure.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no any structural addition without required permits/inspections.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitors were provided with personal protective equipment if needed in factory.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No medical room or medical facility provided for workers. First aid kits were provided in the factory.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were 5 trained first aiders in the factory.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No transport was provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: secure personal storage space provided for workers in their living space
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: H&S risk assessment including arrangements, working station, working hours etc. was taken annually.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site was meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources.

Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<div><input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</div> <div>Please give details: No banned chemical was used in the factory. The factory was meeting its customer requirement on environmental.</div>
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	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	建议工厂为相关的员工提供必要的个人防护用品，并确保他们正确佩戴。 It is recommended that management adopt practices and controls to ensure that necessary personal protective equipments are provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately.	

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the non compliance	(e.g. secondary container) in the painting workshop for using or storing of 3 barrel of white oil painting. 工厂喷漆车间存放或使用的3桶油漆没有设置二次容器。
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	It is recommended that management adopt practices and controls to ensure that the anti-leakage facility (e.g. secondary container) is used for the chemicals. 建议工厂为存放在车间的化学品设置防渗漏设施/二次容器。

**4 - Child Labour Shall Not Be Used**[Summary of Findings]**4: Compliance Requirements**

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

**Current Systems and Evidence Examined**

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

**Current Systems:**

- The factory had policy that no worker under the age of 16 years old would be employed.
- The factory had policy that the juvenile workers (if employed) could not work in hazardous position or work at night.
- The factory kept valid and sufficient age information in employees' personnel files, such as copies of ID card. Employee's personnel file also included employee contract, employee's basic information, living address, working experience and recent photo etc.
- No child labor or young worker was identified in the factory.
- The youngest employee worked in the factory was 18 years old.
- During the recruitment process, HR manager interviewed the employees and checked their ID cards. The job application forms were to be finished.

**Evidence examined:****Details:**

- Facility tour
- Employee interview
- The facility's policy on recruitment, child labour and juvenile worker
- Employee personnel files

**Any other comments:**

Nil

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

5 - Living Wages are Paid [Summary of Findings]
<p>5: Compliance Requirements</p> <p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>


Current Systems and Evidence Examined
<p><i>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.</i></p>
<p><b>Current Systems:</b></p> <ul style="list-style-type: none"> <li>• The local legal minimum wage was RMB 2070 per month or RMB 11.9 per hour since August 1, 2021 and RMB 2260 per month or RMB 12.99 per hour since Jan 1, 2024.</li> <li>• All workers' wages were calculated at hourly rate. All sampled workers were paid at least RMB 14.37 per hour for regular working time according to the wage records.</li> <li>• Benefits of paid, annual leave were given to all workers and maternity leave was given to appropriate workers.</li> <li>• All workers were paid on or before the end of next month by bank transfer and each worker was given a pay slip for their wages.</li> <li>• All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time when they were paid.</li> <li>• Wages had been recorded according to documents checked.</li> </ul>
<p><b>Evidence examined:</b></p> <p>Details:</p> <ul style="list-style-type: none"> <li>• Worker interview</li> <li>• Wages and benefits policy</li> <li>• Local legal minimum wage documents</li> <li>• Leave records</li> <li>• Labour contracts</li> <li>• Resignation records</li> <li>• Attendance records</li> </ul>
<p><b>Any other comments:</b></p> <p>Nil</p>

Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 0.0	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 18.0 Per Month: 76.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2260	Actual Per Day: 0 Per Week: 0 Per Month: 3000	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0 Per Week: 0 Per Month: 0	NO
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 samples from July 2023 26 samples from February 2024 26 samples from May 2024		
Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The local legal minimum wage was RMB 2070 per month or RMB 11.9 per hour since August 1, 2021 and RMB 2260 per month or RMB 12.99 per hour since Jan 1, 2024.		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	All sampled workers were paid at least RMB 14.37 per hour for regular working time.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:NA Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Individual income tax and social insurance		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	Social insurance		
Please list all deductions that have not been made.	Individual income tax and social insurance. The individual income tax was paid by factory and not all employees were provided with social insurance.		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		



Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The records reflected all time worked in the factory.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Equal work with equal rate.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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	a valid period from July 25, 2023 to July 24, 2024. 审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年5月社会保险缴费单据显示工厂仅为207/467名员工提供了失业、养老、医疗、生育保险，为462/467名员工提供了工伤保险。此外工厂为38名员工购买了商业险，有效期2023年7月25日至2024年7月24日。		
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. 建议工厂为员工提供所有法定的社会保险福利。		

## 6 - Working Hours are not Excessive

### [Summary of Findings]

#### 6: Compliance Requirements

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

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

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

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

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

- Through employees' interview, overtime was voluntary.
- The factory provided working hour records since June 2023.
- Working hours were recorded by electronic attendance recording system.
- According to time records and worker interview, basic working hours were 8 hours per day, 5 days per week. The maximum of overtime hours were 2 hours a regular day, 8 hours a rest day and 76 hours a month. The largest working hours was 58 hours per week. The longest consecutive working day was 6 days.

### Evidence examined:

#### Details:

- Employee interview
- Management interview
- local and national laws
- factory policy on working hours
- computerised time logging system
- sample pay slips with recorded hours all workers interviewed
- workers contracts
- Attendance records from June 2023.
- production records to cross check hours

### Any other comments:

Nil

## Working hours' analysis

### Systems & Processes

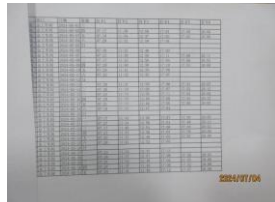
What timekeeping systems are used?	Electronic attendance recording system
------------------------------------	--

Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/weekday, 18 hours/week, 40-76 hours/month in July 2023; 2 hours/weekday, 0 hours/week, 8-22 hours/month in February 2024. 2 hours/weekday, 18 hours/week, 64-70 hours/month in May 2024.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Approximate percentage of total workers on highest overtime hours:	25.6%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Per employee interview
<b>Overtime premium</b>	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium  Please give details: 150% of normal wage for overtime worked on weekdays; 200% of normal wage for overtime worked on rest days; 300% of normal wage for overtime worked on holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100%, monthly
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements  <input checked="" type="checkbox"/> Other
Please give details	NA
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	NA
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A. No more than 60 total hours per week was noted. Employees worked overtime voluntarily.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Per employee interview and handbook review.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Non-Compliance		Evidence																									
<a href="#">[Back to findings summary]</a>																											
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>XXXXXXXXXXXXXXXXXX</td></tr><tr><td>Clause</td><td>6 - Working Hours are not Excessive</td></tr><tr><td>Issue Title</td><td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td></tr><tr><td>Subcategory</td><td>Overtime</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that 49 out of 78 sample population employees worked in excess of the statutory overtime hour limits. A review of 78 sample population employees' time records (26 samples from auditor selected month July 2023, 26 samples from auditor selected month February 2024 and 26 samples from recent paid month May 2024) yielded the following: • 26 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 40-76 hours) in July 2023, which was not in compliance with the legal requirement • 23 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 64-70 hours) in May 2024, which was not in compliance</td></tr></table>			Non-Compliance		Status	OPEN	Reference	XXXXXXXXXXXXXXXXXX	Clause	6 - Working Hours are not Excessive	Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	Subcategory	Overtime	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。	ETI 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.	Explanation to the non compliance	It was noted that 49 out of 78 sample population employees worked in excess of the statutory overtime hour limits. A review of 78 sample population employees' time records (26 samples from auditor selected month July 2023, 26 samples from auditor selected month February 2024 and 26 samples from recent paid month May 2024) yielded the following: • 26 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 40-76 hours) in July 2023, which was not in compliance with the legal requirement • 23 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 64-70 hours) in May 2024, which was not in compliance	<div> <a href="#">Attendance.JPG</a></div>
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	with the legal requirement 根据厂方提供的工时记录 · 审核员发现员工加班时间超出了法定标准。审核员从 厂方提供的工资记录中抽取78个样本(其中从随机月 2023年7月抽取26个, 从随机月2024年2月抽取26个 · 从最近月2024年5月抽取26个), 发现共有49名员工加 班时间超出了法定标准, 具体为: •26/26名员工在 2023年7月的加班时间为40-76小时, 超过每月加班时间 不能超过36小时的法律规定; •23/26名员工在2024年 5月的加班时间为64-70小时, 超过每月加班时间不能超 过36小时的法律规定。
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建 议工厂确保员工的加班时间符合法律要求。



## 7 - No Discrimination is Practiced

### [Summary of Findings]

#### 7: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

- The factory established the policy and procedures on anti-discrimination.
- The factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.
- Female and male employees had the same payment and working conditions.
- Employee' s promotion was based on employee' s ability and skill. The training was provided to employees based on working needed.
- No discrimination issue was noted during the audit.

#### Evidence examined:

##### Details:

- The hiring and termination procedure, leave application records and employee' s handbook
- Payroll
- Attendance records
- Termination records
- Promotion records
- Training records
- Management and employee interview,

#### Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 91.9%	Female: 8.1%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring  <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation  <input type="checkbox"/> Termination or retirement  <input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A. No discrimination case was noted in the factory.	
Professional Development		
What type of training and development are available for workers?	Training for improving skills in each working position in the factory was provided to employees periodically. Skilled employees would be assigned to management department, where payment would be higher.	

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

## 8 - Regular Employment Is Provided

### [Summary of Findings]

#### 8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

All workers (local and migrant) were permanent workers and were recruited by the factory directly. The site had proper systems in place to manage the temporary workers in compliance with the code of local labour law.

All workers had received signed labour contracts.

### Evidence examined:

#### Details:

The hiring and termination practises

Personal files

Payroll records were provided for review.

Contracts

### Any other comments:

Nil

## Responsible Recruitment

### All Workers

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

☒ Terms & Conditions presented

☒ Understood by workers

☒ Same as actual conditions

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

☐ Yes ☒ No

### Migrant Workers

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



### 8A - Sub-Contracting and Homeworking

#### [Summary of Findings]

#### 8A: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. Per factory tour, it was noted that the production processes in the factory were complete and this was also verified through production processes overview provided by factory.
2. Auditor also checked material in-and-out records, no subcontracting was noted.
3. Management confirmed that they would not use any subcontractor unless agreed by their client.
4. Per factory tour, employee interview and document review, it was also noted that all productions were onsite, no homeworking was noted.

#### Evidence examined:

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

#### Any other comments:

N/A. No process was sub-contracted to the other factory.

### Summary of sub-contracting – if applicable

Is there any sub-contracting at this site? ☐ Yes ☒ No

### Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No



Audit company:

BUREAU VERITAS CPS - ASIA

Report reference:

xxxxxxxxxxxxxxxxxx

Start Date:

2024-07-03

End Date:

2024-07-05

## 9 - No Harsh or Inhumane Treatment is Allowed

### [Summary of Findings]

#### 9: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

According to the factory's regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory. According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

#### Evidence examined:

##### Details:

- Labor contract
- Personnel files
- Hiring procedure
- Employee's handbook

#### Any other comments:

Nil

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?

☒ Yes ☐ No

Please give details:

Suggestion box

If yes, are workers aware of these channels and have access? Please give details.

Based on employee interview, they understood how to report the violation through the channel if necessary such as suggestion box.

If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.

Suggestion box was provided to employees to raise concern to management within the factory.

Which of the following groups is there a grievance mechanism in place for?

☒ Worker ☐ Communities  
☐ Suppliers ☐ Other

Please provide grievance mechanism details

If the employees had any concern, question or help needed, they could raise it through the suggestion box or have a talk with their leaders, managers directly.

Are there any open disputes?

☐ Yes ☒ No

Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)

☒ Yes ☐ No

Please give details:



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

## 10A - Entitlement to Work and Immigration

### [Summary of Findings]

10A: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

-Hiring policy was established in the factory and Ms. Cheng/ quality manager was responsible for this item of the code.  
- All employees were Chinese.  
- All employees were hired directly by the factory. No dispatched worker, agency worker was noted in the factory.

#### Evidence examined:

Details:

- Labor contract
- Personnel files
- Hiring procedure
- Employee' s handbook

#### Any other comments:

Nil

10B4 - Environment 4-Pillar [Summary of Findings]
<p>10B4: Compliance Requirements</p> <p>10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10.B4.3 Businesses shall be aware of their end client' s environmental standards/code requirements</p> <p>10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10.B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site' s efforts to improve environmental performance.</p> <p>10B4: Guidance for Observations</p> <p>10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p> <p>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)</p>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p><b>Current Systems:</b></p> <p>The factory had established related policies to protect environment and training was provided to employees. Monitoring report for industrial air waste, industrial enterprises noise showed that the impact element of environment met legal requirement.</p>
<p><b>Evidence examined:</b></p> <p>Document and policy review (Environment policy review, environmental documents, etc.) Management interview</p>
<p><b>Any other comments:</b></p> <p>NA</p>

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. Li responsible for environmental issues

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory had a risk assessment on the environmental impact of the site.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO 14000 was provided
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: In environmental policy, it defined the commitment to improvement.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the registration form of environmental impacts of the construction, the approval document of environment impact assessment, and the approval document for on-site inspection and acceptance of completed environmental protection facilities for review.
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"/> Not Applicable Please give details: The factory established a written procedure on handling chemicals, including hazardous chemicals. The list covers the storage and usage of chemicals.
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 Please give details: Factory had environment policies and risk assessment.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a continuous improvement plan for reducing environmental aspects. The factory had an annual reduction target for natural resources consumption and discharge.

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: The factory classified the wastes and verified the wastes which could be recycled during daily work. The records for recycling were kept.	
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: The records for consumption of key utilities of water, energy and natural resources were maintained in the factory. The responsible manager would measure and monitor the records and adjust the policy or procedures if needed.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Factory had checked the suppliers' relevant environmental licenses and their environmental police before conducting business.	
<b>Usage/Discharge analysis</b>		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	8035918	3699399
Renewable Energy Usage: Kw/hrs	227748	103228
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	•Local water authority	•Local water authority
Water Volume Used	39092	17188
Water Discharged	•City pipe network	•City pipe network
Water Volume Discharged	38700	16500
Water Volume Recycled	0	0
Total waste produced	2.7T	1.2T
Total hazardous waste produced	0.46T	0.2T
Waste to recycling	2.24T	1T
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	13800000PCS	6500000PCS

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

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

**Current Systems and Evidence Examined**

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

**Current Systems:**

- Factory' s management knew the applicable laws, their end client' s Business Ethics standards/code requirements. A system was in place to monitor their performance against the integrity issues.
- The factory established the documented Business Ethics policy concerning bribery, corruption, or unethical Business Practice, which was clearly communicated to all relevant parties, including their suppliers.
- If had ethical issues found would be investigated and resolved.
- Relevant training was provided to employees, whose job roles carry a higher level of risk in the area of ethical Business Practice.

**Evidence examined:**

- Policy and procedures on business ethics
- Training records on business ethics
- Handling records for raised ethical issues
- Management and employee Interview

**Any other comments:**

NA

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: The factory established the documented Business Ethics policy concerning bribery, corruption, or unethical Business Practice, which was clearly communicated to all relevant parties, including their suppliers.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided training on business ethics issues to the sales, purchasing, logistics.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory review and updated the policy annually. And the most updated version would be provided the relevant parties again.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory required management of their suppliers to be trained on business ethics.



## Attachments



Vacuumizing workshop.JPG



Punching workshop.JPG



Welding workshop.JPG



Suggestion box.JPG



Toilet.JPG



Production building.JPG





Packing workshop.JPG



Paint spraying workshop.JPG



Metal processing workshop.JPG



Molding workshop.JPG



First aid kit.JPG



Fire alarm.JPG



Finished warehouse.JPG



Injection workshop.JPG



Factory name.JPG



Fire hydrant.JPG



Eye washing facility.JPG



Laser labeling workshop.JPG

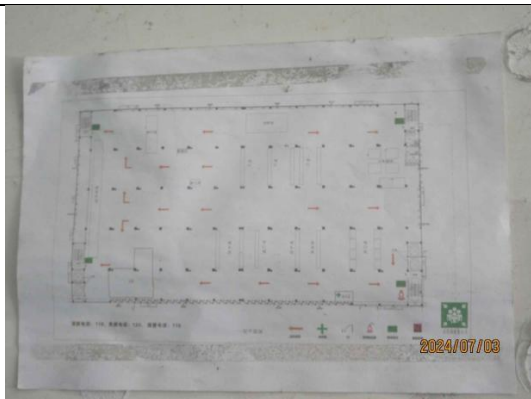




Factory gate.JPG



Exit sign and emergency light.JPG



Evacuation plan.JPG



Fire extinguishers.JPG



Drinkable water.JPG



Dormitory inside.JPG



Dormitory building.JPG



Canteen inside.JPG



Attendance machine.JPG



Chemical warehouse.JPG



Assembly workshop.JPG



Canteen building.JPG

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