



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1047686	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1034327
Business name (Company name):	XX		
Site name:	XX		
Site address: <i>(Please include full address)</i>	XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXX	Country:	China
Site contact and job title:	XXXXXXXXXX/Admin Manager		
Site phone:	86-15267348902	Site e-mail:	XXXXXXXXXXXX
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	December 27&28, 2022		

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> XXX
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Kirk Yue APSCA number: CSCA 21701312

Lead auditor APSCA status: CSCA

Team auditor: Sharon Meng APSCA number: ASCA 32200371

Interviewers: Sharon Meng APSCA number: ASCA 32200371

Report writer: Kirk Yue

Report reviewer: Yogesh Satam

Date of declaration: December 30, 2022

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. workers do not use PPE.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Insufficient social insurance coverage.
6. Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	NC: 1. Monthly overtime hours exceeded law's requirement. 2. Weekly working hours exceed 60 hours.
7. Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil

8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

General observations and summary of the site:

Site Summary:

Overall, there were 4 non-compliances found during this assessment. These were related to Safety and Hygienic Conditions (1 NC), Wages and Benefits (1 NC) and Working Hours (2 NCs). Issues such as monthly overtime hours exceeded 36 hours etc. were noted.

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

Site Details

Site Details			
A: Company Name:	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.		
B: Site name:	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX		
C: GPS location: (If available)	<table border="1"> <tr> <td>XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX</td> <td>XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XX</td> </tr> </table>	XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XX
XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XX		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Unified Social Credit Code: 91330723558630853R Valid from July 15, 2010 to long term.		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Vacuum cups		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>XXXXXXXXXXXXXXXXXXXXXXXXXXXX. established on July 15, 2010, located at XX XXXXXXXX. The factory moved from XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX" to its current location in November 2022. The factory encompassed 2 blocks of 4-storey and 1 block of 2-storey production buildings and 1 block of 10-storey dormitory building. One canteen and kitchen were provided for workers' use, with total of around 94839 m2. The factory specialized in the manufacturing of Vacuum cups. The main production processes include: Injection moulding, Metal working, Polishing, Welding, Vacuumizing, Spray painting, Printing, Inspection and Packing etc. A total of 979 employees were currently working at the factory, which included 715 production workers and 264 office staff. There were 498 female employees (51%) and 481 male employees (49%). The ethnic background of all management and production workers were mainland Chinese and about 91% workers were from other China provinces such as Guizhou and Yunnan province etc. All workers were recruited directly by the factory.</p> <p>According to the management, there were 2 shifts for injection workers, from 7:30 am to 7:30 pm and 7:30 pm to 7:30 am separately; Other sections in 1 shift, in summer time from 7:30</p>		

am to 11:30 am; 12:30 noon to 4:30 pm; in winter time from 1:00pm to 5:00pm. All workers' wages are calculated on hourly rate. All workers paid at the end of following month by bank transferring. The peak season in this facility was not obvious. . No union was in the factory.

For below, please add any extra rows if appropriate.

Production building 1#	Description	Remark, if any
Floor 1	Metal working and Welding section	Nil
Floor 2	Finished goods warehouse	Nil
Floor 3	Polishing section	Nil
Floor 4	Spray painting section	Nil
Is this a shared building?	No	Nil

Production building 2#	Description	Remark, if any
Floor 1	Metal working section	Nil
Floor 2	Injection moulding, Vacuumizing section	Nil
Floor 3	Semi-finished goods warehouse	Nil
Floor 4	Spray painting section	Nil
Is this a shared building?	No	Nil

Production building 3#	Description	Remark, if any
Floor 1	Welding section	Nil
Floor 2	Spray painting section, Printing, Inspection and Packing section	Nil
Is this a shared building?	No	Nil

	<table border="1"> <thead> <tr> <th>Dormitory building 1 #</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Kitchen and canteen</td> <td>Nil</td> </tr> <tr> <td>Floor 2-10</td> <td>Rooms</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>Nil</td> </tr> </tbody> </table>	Dormitory building 1 #	Description	Remark, if any	Floor 1	Kitchen and canteen	Nil	Floor 2-10	Rooms	Nil	Is this a shared building?	No	Nil
	Dormitory building 1 #	Description	Remark, if any										
	Floor 1	Kitchen and canteen	Nil										
	Floor 2-10	Rooms	Nil										
Is this a shared building?	No	Nil											
<p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Based on onsite observation, no visible structural integrity issues such as cracks was found.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: The factory provided the building structure safety certificates and fire safety certificates for all buildings for review.</p>													
<p>G: Site function:</p> <p><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</p>													
<p>H: Month(s) of peak season: (if applicable)</p> <p>Not obvious peak season.</p>													
<p>I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p> <p>The products manufactured in this unit were Vacuum cups. The main operations as below: Injection moulding, Metal working, Polishing, Welding, Vacuumizing, Spray painting, Printing, Inspection and Packing. The main machines were cutting machines, polishing machines and etc, there were total 86 machines and 2 spray painting lines.</p>													
<p>J: What form of worker representation / union is there on site?</p> <p><input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) 11 worker representative</p>													

	<input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There were 2 shifts for injection workers, from 7:30 am to 7:30 pm and 7:30 pm to 7:30 am separately.
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation 12% workers living in dormitory rooms.
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details

Audit Parameters			
A: Time in and time out	Day 1 Time in: 9:00 Day 1 Time out: 16:00	Day 2 Time in: 9:00 Day 2 Time out: 16:00	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	3.5 MD (1 auditor in 2 days and 1 auditor in 1.5 days)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not The factory didn't complete SAQ for review.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A		
G: Who signed and agreed CAPR (Name and job title)	Mr. Wang Junle/Admin Manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	May 10&11, 2022		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A		

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

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	N/A, no union in the 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	32	0	0	333	0	0	0	365
Worker numbers – female	29	0	0	321	0	0	0	350
Total	61	0	0	654	0	0	0	715
Number of Workers interviewed – male	3	0	0	17	0	0	0	20
Number of Workers interviewed – female	3	0	0	19	0	0	0	22
Total – interviewed sample size	6	0	0	36	0	0	0	42

A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: Chinese</p> <p>B1: Nationality 1: _____</p> <p>Provinces as below: Guizhou, Yunnan and Sichuan etc.</p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: NA, there was no obvious peak season.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 __100%_____</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: __100__% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: _100_____% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	

Worker Interview Summary	
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	30 workers were interviewed with 6 groups of 5
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 5 D2: Female: 7
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No worker complained anything during the interview.
I: What did the workers like the most about working at this site?	Most workers said that they were satisfied with working condition and the wages.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	

M: Attitude of workers:

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

42 workers (20 males and 22 females) were selected from different departments including: Injection moulding, Metal working, Polishing, Welding, Vacuumizing, Spray painting, Printing, Inspection and Packing section for confidential interviews. 12 out of 42 workers were interviewed individually in workshops and meeting room and the rest 30 workers were interviewed with 6 groups of 5 in the meeting room in order to make them comfortable. The information obtained from those workers was consistent with the documents provided by the factory management. All workers claimed that they were all very happy to work in the factory according to their saying.

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

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

Interviewed with the worker representative, he said factory management were very care about workers and pay more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No any negative information was identified.

O: Attitude of managers:

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

The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns.
 The factory agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner.
 The factory agreed that the auditors took photos and copy relevant documents or records in the factory.
 The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had 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.
2. Mr. Wang Junle/Admin Manager was a designated person responsible for implementing standards concerning Human rights.
3. There is an internal audit team for quality who in addition take on the role for internal audit of the social standards of the factory and they report to the HR and Compliance officer jointly to report their findings.

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

Details:

Management interview

Workers interview

Documents review

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had established the policy which stated that show commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Wang Junle Job title: Admin Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory did have a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept in HR office.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: Nil</p> <p>Local law or ETI/Additional elements / customer specific requirement: Nil</p> <p>Comments: Nil</p>		<p>Objective evidence observed: Nil</p>

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

	Nil
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Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __10__ %	A2: This year __10__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	5%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __1__ %	C2: This year __1__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	1%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The factory does the records per month.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number:0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers

0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

- The factory appointed Mr. Wang Junle/Admin Manager to be responsible for compliance with ETI Base Code.
- The factory had conducted internal audit on social responsibility, and the factory conducted systematic audit to suppliers regularly.

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

Details:

- Social responsibility policy and procedure.
- Management system.
- Worker interview and management interview

Any other comments:

Nil

Management Systems:

<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No such case happened during the last 12 months.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>The factory had established the related policy and provided the training to all related workers</p>

	to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory had provided the training to management and workers.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided the training to management and workers and the related record was provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: Nil
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Mr. Wang Junle/Admin Manager was in charge of this department.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The factory appointed Mr. Wang Junle/Admin Manager to be responsible for compliance with ETI Base Code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Policy was established in employee manual.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All worker information is kept locked in files in the personnel office.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness, such as finance audit.

<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: If issues addressed, actions should be taken per interview with management and HR department manager.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory required supplier for policy or code implementation.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: All required land rights supporting documents were provided by the factory.</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The land's supporting documents were provided for reviewing, which were issued by local government.</p>
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: If yes, how does the company obtain FPIC. The factory had a written policy to land rights, but didn't include FPIC.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: N/A</p>
<p>R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: The factory did not illegal appropriation of land for facility building or expansion of footprint.</p>

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: N/A</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

- The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- The employees obtained their job by HR market or by friend's recommendation.
- The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- No forced, bonded or involuntary prison labour was identified during the audit.

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

Details:

- Factory rules
- Employee handbook
- Personnel files
- Resignation records
- Contracts
- Management and worker interview

Any other comments:

Nil

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>

<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: There was no any restriction on workers' freedom to terminate employment.</p>
<p>E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: NA</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: There was no restriction on workers' freedoms to leave the site at the end of the workday.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: No forced/ trafficked / bonded labour was identified in its supply chain</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:

<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

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

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

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

ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

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

Current systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- Based on document review, management review and worker interview, there was no union in the factory; 11 worker representatives were elected in the factory and conducted the meeting regularly.
- Through worker interview, the worker could rise up their opinion through worker representatives or communicate with their supervisor.
- Workers could raise their grievances or complaint to their worker representatives or management directly.

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

Details:

- The policy on freedom of association
- Minutes of the worker representative meeting
- Interview with worker and management
- Interview with worker representative

Any other comments:

Nil

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

- Union (name)
- Worker Committee
- Other (specify) Worker Representative
- None

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Worker representatives and Suggestion box D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Yes, the supplier provided adequate facilities to allow the representatives to conduct related business.	
F: Name of union and union representative, if applicable:	NA	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There were 11 worker representatives selected by workers freely.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: March 1, 2022
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: There were 11 worker representatives selected by workers freely. One worker representative attends the opening meeting and closing meeting in this audit.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting was conducted regularly, and the last was conducted on December 15, 2022, Last meeting topics was about EHS in workshop, meeting minutes have been kept.	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No collective bargaining agreement in the factory.	
If Yes , what percentage by trade Union/worker representation	M1: __0__% workers covered by Union CBA	M2: __0__% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No No collective bargaining agreement in the factory.	

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - Mr. Wang Junle/Admin Manager was responsible for issue of Health & Safety in the factory.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Sufficient clean toilets segregated by gender were available at all times to workers.
 - The factory provided potable water to workers free of charge in workshop.
2. Fire Safety
 - Evacuation plans were posted in workshop and understood by all interviewed workers.
 - Sufficient firefighting equipment's such as fire extinguishers, fire alarm and hydrants in production buildings. Regular inspection was taken by the factory per month.
 - There were at least two exits in each workshop.
 - The most recently fire drills were conducted in the factory on November 3, 2022 and well recorded.
3. Electrical safety
 - All electrical equipment's were maintained in good condition such as sockets, plugs, and main fuse boards.
 - Adequate competent electrician in the factory and the qualification certificate was provided for review.
4. Chemical safety
 - All chemicals stored in secondary container and well labelled, MSDS were post on both chemicals used area and storage area.
 - Chemical safety training was provided for related workers.
5. Medical services
 - First aid kits in all production area and they were well stocked.
 - Adequately workers were provided the first aid training and training minutes were kept well.

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

Details:

- Health and safety policy
- Health and safety manual

- Health and safety committee minutes
- Fire equipment maintenance records
- Training records
- Building structure safety certificates
- Fire safety certificate
- Fire drill records
- Accident records
- Interview with factory management and workers
- Onsite observation
- Worker interview and management interview

Any other comments:
Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Mr. Wang Junle/Admin Manager was responsible for issue of Health & Safety in the factory.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Employees' manual covered the EHS policies.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Based on document review, the factory obtained all Building Structure Safety Certificates for all buildings for review.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Yes, visitors to the site informed on H&S and provided with PPE such as earplugs.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local law requirement, while first aid training were obtained in the factory and sufficient first aiders with certificate in the factory.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No local law requirement, while first aid training were obtained in the factory and sufficient first aiders with certificate in the factory.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA</p>

competent persons e.g. buses and other vehicles?	G1: Please give details: Based on management and worker interview, factory did not provided transport for workers.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details:
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: EHS risk assessments were conducted regularly with actions implementation.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory provided the EIA document for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: It was acceptable during the onsite observation.

Non-compliance:

1. Description of non-compliance:

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

It was noted that the factory had provided the personal protective equipment such as earplugs to its worker. However, 3 workers in polishing section on 1/F of production building 1# did not use them properly.

Local law and/or ETI requirement:

In accordance with article 45 of Law of PRC on Work Safety article 45. Production and business units must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.

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

Recommended corrective action:

It is recommended that the factory shall provide regular PPE training to workers, conduct regular PPE safety inspection at workplace.

Objective evidence observed:

1. Based on onsite observation, refer to photo 28

Observation:

<p>Description of observation: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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<p>Good Examples observed:</p>	
<p>Description of observation: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employs and use any child labour under the age of 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post.
- The youngest worker on site was 19-year-old.

Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour

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

Details:

- Policy on workers recruitment
- Personnel files including the ID card copies of workers
- Roster and labour contracts of all workers
- Worker interview and management interview

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker on site was 19-year-old.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %

<p>E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details NA</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The Minimum wage guarantee system was established for all workers. Workers' minimum wages were paid above the local legal requirement. The local legal minimum wage was RMB 1840/month (RMB 10.57/hour) since August 1, 2021.
- All workers' wages were calculated by hourly rate. The factory paid at least RMB 13.22/hour as minimum wage to workers. The minimum wages were paid meet the local legal requirement.
- All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
- All workers were paid before the end of following month by bank transferring and each worker was given a pay slip and signed for their wages.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Based on document review, a total of 989 employees were eligible to receive five types of social insurances in October 2022 according to the law. However, through review of social insurance enrolment list and payroll records, only 381 employees were enrolled in pension insurance, unemployment insurance, medical insurance and child-bearing insurance, all employees were enrolled in occupational injury insurance.

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

Details:

- Payroll records from November 2021 to October 2022
- Attendance records from November 1, 2021 to December 28, 2022
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Payslips of all interviewed workers
- Payment receipts of social insurance
- Workers and management interview

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that a total of 989 employees were eligible to receive five types of social insurances in October 2022 according to the law. However, through review of social insurance enrolment list and payroll records, only 381 employees were enrolled in pension insurance, unemployment insurance, medical insurance and child-bearing insurance, all employees were enrolled in occupational injury insurance.</p> <p>Local law and/or ETI requirement: In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.</p> <p>In accordance with ETI base code 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law.</p>	<p>Objective evidence observed: Based on document review, pls refer to photo 30</p>
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<p>Observation:</p>	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

	Nil
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Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: Based on provided attendance records, max overtime hours in sample was: 3 hours per day, 23 hours per week, 97 hours per month in October 2022 (Current) 3 hours per day, 23 hours per week, 101 hours per month in August 2022 (Random) 3 hours per day, 23 hours per week, 95 hours per month in June 2022(Random)	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	The local legal minimum wage was RMB 1840/month (RMB 10.57/hour) since August 1, 2021	C1: The factory paid at least RMB 13.22/hour as minimum wage to workers.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150% of normal wage rate for weekday overtime, 200% of normal wage rate for	D1: Based on the payroll records, the factory paid 150% of normal wage for overtime on workdays; 200% of	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	weekend overtime and 300% of normal wage rate for statutory holiday overtime.	normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.	
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Wages analysis: (Click here to return to Key Information)			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If No , why not?	NA		
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	42 samples from October 2022 (Current), 42 samples from August 2022 (Random), 42 samples from May 2022 (Random).		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> Workers' minimum wage was RMB13.22 per hour as minimum wage to workers, which was in compliance with legal requirement	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: ___100_% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Nil		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and income tax.		
I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that have been made.	1. NA Please describe: Nil

		I2: Please list all deductions that have not been made.	1. social insurance 2. income tax Please describe: The factory did not provide social insurance for all eligible employees.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory provided all workers payroll records from November 2021 to October 2022 and Attendance records from November 1, 2021 to December 28, 2022		
M: Is there a defined living wage: This is <i>not normally</i> 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 M1: Please specify amount/time: NA		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: NA		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory reviewed the wages yearly refer to local bureau, workers opinion etc.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Based on worker interview, equal work had equal rates.		

Q: How are workers paid:

- Cash
- Cheque
- Bank Transfer
- Other

Q1: If other, please explain:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The factory provided all workers' attendance records from November 1, 2021 to December 28, 2022 for review.
- The working time of workers were recorded by IC card attendance machine.
- According to time records and worker interview, the normal working hour were 8 hours per day and 40 hours per week. There were 2 shifts for injection workers, from 7:30 am to 7:30 pm and 7:30 pm to 7:30 am separately; Other sections in 1 shift, in summer time from 7:30 am to 11:30 am; 12:30 noon to 4:30 pm; in winter time from 1:00pm to 5:00pm.
- Based on attendance records review, the workers' max daily OT was 3 hours and the max monthly OT was 101 hours and the max weekly working hour was 63 hours.
- Through employees' interview, overtime is voluntary.

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

Details:

- Factory policy on working hours
- Local and national laws
- Workers contracts
- Sample pay slips with recorded hours all interviewed workers
- Attendance records from November 1, 2021 to December 28, 2022 showing highest and lowest hours over sampled employees.
- Time attendance system
- Interview with workers and management

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that the monthly overtime hours of 42 out of 42 randomly selected workers exceeded 36 hours in October 2022 with the highest of 97 hours; 42 out of 42 exceeded 36 hours in August 2022 with the highest of 101 hours; 42 out of 42 exceeded 36 hours in June 2022 with the highest of 95 hours.

Local law and/or ETI requirement:

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

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

Recommended corrective action:

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month.

2. Description of non-compliance:

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

It was noted that the weekly working hours of 14 out of 42 randomly selected workers exceeded 60 hours in October 2022 (most recent month) with the highest of 63 hours; 14 out of 42 exceeded 60 hours in August 2022 (random month) with the highest of 63 hours; 14 out of 42 exceeded 60 hours in June 2022 (random month) with the highest of 63 hours.

Objective evidence observed:

1. Document review

2. Document review

<p>Local law and/or ETI requirement: In accordance with ETI base code 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>Recommended corrective action: It is recommended that factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and limit the working hours to comply with the client's requirement.</p>	
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

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

<p>C: Are standard/contracted working hours defined in all contracts/employment agreements?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</p>			
<p>D: Are there any other types of contracts/employment agreements used?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>D1: If YES, please complete as appropriate:</p>			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		<p>If "Other", Please define:</p>			
		<p>NA</p>			
<p>E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>E1: If yes, please detail hours, %, types of workers affected and frequency. Please give details:</p>			
<p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?</p>	<p>F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:</p>	<p>F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>			
	<p>Maximum number of days worked without a day off (in sample):</p>				
	<p>Workers worked maximum continuous days were 6 days and they rest on every Sunday.</p>				
<p>Standard/Contracted Hours worked</p>					
<p>G: Were standard working hours over 48 hours per week found?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>G1: If yes, % of workers & frequency:</p>			
		<p>NA</p>			
<p>H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>H1: If yes, please give details:</p>			
		<p>NA</p>			
<p>Overtime Hours worked</p>					

<p>I: Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours: 3 hours per day, 23 hours per week, 97 hours per month in October 2022 (Current) 3 hours per day, 23 hours per week, 101 hours per month in August 2022 (Random) 3 hours per day, 23 hours per week, 95 hours per month in May 2022 (Random)</p>	
<p>J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Based on document review, the factory provided the attendance records from November 1, 2021 to December 28, 2022, the max weekly working hours were 63 hours.</p>	
<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>__100__%</p>	
<p>L: Is overtime voluntary?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p>	<p><i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Based on workers interview, they made sure their overtime working voluntary and contracts stated that overtime may be requested but it is voluntary.</i></p>
<p>Overtime Premiums</p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p>	<p><i>M1: Please give details of normal day overtime premium as a % of standard wages: Based on attendance records from November 1, 2021 to December 28, 2022 and payrolls from November 2021 to October 2022 provided by the factory, the factory paid 150%, 200% and 300% of regular pay for overtime work on regular weekdays, rest days and statutory holiday.</i></p>
<p>N: Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p><i>N1: If yes, please describe % of workers & frequency: 100% of workers were paid for overtime wages with normal wages on time and all workers were paid at the end of following month by bank transferring.</i></p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other NA</p> <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>	

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

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement
- There was no evidence of sexual harassment.

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

Details:

- The hiring and termination procedure
- Leave application records and employee handbook
- Labour contract
- Termination records
- Attendance and payroll records
- Training records
- Worker interview and management interview

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>50</u> % A2: Female <u>50</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	5-woman workers were sample developer.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found

	C1: Please give details: NA. No evidence of discrimination found.
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Professional Development	
A: What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details:
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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: Nil

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:

Description of Good Example (GE): Nil	Objective Evidence Observed: Nil
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8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

- All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
- Most interviewed workers had received a signed labour contract.
- Workers' personal files were provided for review.

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

Details:

- The hiring and termination procedure
- Personal files
- Payroll records were provided for review
- Labour contracts
- Worker interview and management interview

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

Responsible Recruitment

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

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: NA
D: If any checked, give details:	NA

Migrant Workers:	
The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity	
A: Type of work undertaken by migrant workers:	There were no migrants from different countries. 654 workers were migrant workers from other provinces, such like Guizhou, Yunnan, Sichuan and etc.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If yes, number and example of roles: NA

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: 0
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA The audit factory had no agency workers.
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA The audit factory had no agency workers.
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA The audit factory had no agency workers.

	D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No NA E1: Please give details: NA The audit factory had no agency workers.

Contractors: <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	NA
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA
D: If Yes , please give evidence for contractor workers being paid per law:	NA There was no contractor in the audit factory.

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All the production processes exclude Electroplating were present in the factory.
2. The factory had established social accountability manual including sub-contracting control procedure.

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

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

Process Subcontracted	Electroplating
Name of factory	Zhejiang Chaojie Industry and Trade Co., Ltd
Address	Quanhu industrial zone, Quanxi Town, Wuyi County, Jinhua City and Zhejiang Province

Details:

- Site tour
- Materials in/out records
- Interview with management and workers
- Social accountability manual

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI /Additional Elements requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
--	---

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI/Additional elements requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

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

<p>D: Is there a site policy on sub-contracting?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes, summarise details: all the sub-contracting should meet the local law and client's requirement.</p>
<p>E: What checks are in place to ensure no child labour is being used and work is safe?</p>	<p>Training and regular internal audit.</p>

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

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: There was legal department for workers to report such issues, also workers could raise grievances to local media, etc.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>It was confirmed by workers' interview.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline, suggestion box, worker representative, etc.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Workers could raise grievances to worker representatives, supervisors, team leaders, or managers directly.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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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 management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.
- There is an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

- The relevant policy on prevention of harassment and abuse.
- Internal grievance procedure documentation
- Training records
- Worker interview and management interview

Any other comments:
 Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation:

<p>Description of observation: Nil</p>	<p>Objective evidence observed: Nil</p>
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<p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	
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Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

- Based on document review, management and worker interview, all workers in the factory were Chinese. 61 workers were local workers and 654 workers were migrant workers from other provinces. All workers had the proper legal rights to work in this region.
- The youngest worker on site was 19-year-old.
- Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No agency staff or foreign worker was used by the factory.
- The factory collected related laws on entitlement to work and immigration.

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

Details:

- Hiring procedure
- Personnel files and labour contracts
- Employee handbook
- Employee roster
- Worker interview and management interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

Nil

Local law and/or ETI /Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Observation:	
Description of observation: Nil Local law or ETI/Additional Elements requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Based on document review and confirmed with factory management, the factory obtained EIA related document.
- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on workers interview, they were trained on environmental protection.
- The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations.
- The factory had procedure on environment protection and Mr. Wang Junle/Admin Manager was appointed as response for environment performance.

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

1. Emergency action procedures. The factory established Emergency action procedures.

2. Environment policy & procedure. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
 3. Worker and management interview.

Any other comments:
 Nil

Non-compliance:

1. Description of non-compliance:

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

Objective evidence observed:
 Nil

Local law and/or ETI/Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Observation:

Description of observation:

Nil

Objective evidence observed:
 Nil

Local law or ETI/Additional elements requirement:

Nil

Comments:

Nil

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:
 Nil

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	XXXXXXXXXXXX/Admin Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory conducted a risk assessment on the environmental impact regularly.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Nil
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, the factory had environmental policy and it was written on worker manual.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had key impacts from their operations and their commitment to improvement.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No such requirement for this type of factory.
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory did not have sustainability system, no such requirement for this type of factory.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Based on document review, the factory provided EIA related document for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: Based on the document review, there has a documentation process to record hazardous chemicals used in the manufacturing process

J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory conducted a system about reduction targets and water and energy usage, and wastes were monitored with reduction targets to reduce costs.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory provided recycled waste records for continuous improvement targets for review.
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory provided waste water and elections usage monitoring records for review.
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory conducted a system to monitoring Sub-Contracting agencies or business partners about environmental performance of the facility

Usage/Discharge analysis

Criteria	Previous year: Please state period: from January 2021 to December 2021	Current Year: Please state period: from January 2022 to December 2022
Electricity Usage: <i>Kw/hrs</i>	9958962	9822127
Renewable Energy Usage: <i>Kw/hrs</i>	0	0
Gas Usage: <i>Kw/hrs</i>	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	NA	NA
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> local water authority 	<ul style="list-style-type: none"> local water authority
Water Volume Used:	71375t	76112t

(m ³)		
Water Discharged: <i>Please list all receiving waters/recipients.</i>	• Municipal sewage	• Municipal sewage
Water Volume Discharged: (m ³)	2786	2563
Water Volume Recycled: (m ³)	0	0
Total waste Produced <i>(please state units)</i>	84.8t	78.3t
Total hazardous waste Produced: <i>(please state units)</i>	23.3t	22.2t
Waste to Recycling: <i>(please state units)</i>	52.5t	51.2t
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	24000000 pcs	21600000 pcs

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The company established program of business ethics and conduct training to workers.

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

Social accountability policy

Ethics training records

Any other comments:

Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI/Additional Elements requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation	
<p>Description of observation: Nil</p> <p>Local law or ETI/Additional elements requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

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

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The factory written the Business Ethics Policy on workers manual.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The factory provided training when new employees hired.</p>

<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details:</p> <p>HR department examined each year and adjusted if needed</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D1: Please give details:</p> <p>No discussion on this topic with 3rd parties</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1

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

Not Applicable please x

Photo Form

<p>1: Factory name</p>	<p>2: Factory gate</p>	<p>3: Factory address</p>
<p>4: Production building</p>	<p>5: Dormitory building</p>	<p>6: Dormitory room</p>
<p>7: Kitchen</p>	<p>8: Canteen</p>	<p>9: Raw material warehouse</p>

<p>10: Chemical warehouse</p>	<p>11: Injection moulding</p>	<p>12: Metal working</p>
<p>13: Polishing</p>	<p>14: Welding</p>	<p>15: Vacuumizing</p>
<p>16: Spray painting</p>	<p>17: Printing</p>	<p>18: Inspection and Packing</p>
<p>19: Finished goods warehouse</p>	<p>20: Emergency light & exit sign</p>	<p>21: Suggestion box</p>

<p>22: Fire hydrant and fire extinguishers</p>	<p>23: First aid kit</p>	<p>24: Worker with PPE</p>
<p>25: Potable water</p>	<p>26: Attendance machine</p>	<p>27: Business license</p>
	<p>N/A</p>	<p>N/A</p>
<p>28: NC- Three polishing workers did not use earplugs</p>	<p>N/A</p>	<p>N/A</p>



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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

<https://www.surveymonkey.co.uk/r/BRTVCKP>