




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1057620	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1000774
Business name (Company name):	Hangzhou Freetron Industrial Co., Ltd.		
Site name:	Hangzhou Freetron Industrial Co., Ltd. 杭州富利登塑胶制品有限公司		
Site address: <i>(Please include full address)</i>	No.1117, Chunjiang East Road, Tongjun Street, Tonglu County, Hangzhou City, Zhejiang Province 浙江省杭州市桐庐县桐君街道春江东路 1117 号	Country:	China 中国
Site contact and job title:	Mr. Luo Yixiang/ Vice Factory Director		
Site phone:	86-571-58593753	Site e-mail:	tluo@freetron.net
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:	10-12 August 2022		

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

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): None

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

Lead auditor: Ms. Anne Xie APSCA number: CSCA 21700646

Lead auditor APSCA status: CSCA

Team auditor: Ms. Anne Xie APSCA number: CSCA 21700646

Interviewers: Ms. Anne Xie APSCA number: CSCA 21700646

Report writer: Ms. Anne Xie APSCA number: CSCA 21700646

Report reviewer: Ms. Ferny Wang, Social report reviewer, CSCA 21700423

Date of declaration: 12 August 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> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		1	0	OB: <ul style="list-style-type: none"> Where businesses had an adverse impact on human rights within any of their stakeholders, they did not address these issues and enable effective remediation.
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	2	GE: <ul style="list-style-type: none"> The facility had one certification ISO9001:2015, the registration number was 0350222Q30286R4M, which was valid from 20 June 2022 to 19 June 2025. The facility obtained ISO14001:2015 certificate (certificate no: 0350222Q30286R4M), valid period was from 20 June 2022 to 19 June 2025.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	4	0	0	NCs: <ul style="list-style-type: none"> Partial goods were directly leaned against the wall and pillar.

									<ul style="list-style-type: none"> Employees did not wear PPE (Personal Protective Equipment). No washing facility was installed at the workplace with toxic or hazardous substances. No occupational health examination was provided to partial employees engaged in post with occupational disease hazards.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Insufficient social insurance participated.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Overtime hours exceeded the legal requirement.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	Not applicable
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None observed
General observations and summary of the site:									

Site Summary

- The products manufactured at this site were kitchenware.
- Overall responsibility for meeting the standards was taken by the Manager - Mr. Luo Yixiang/Vice Factory Director.
- There were total of 170 employees (including 4 managers) on site, 52 employees were local, and 118 employees were migrant employees mainly from Jiangsu, Hunan, Jiangxi, Henan, Guangxi, Hubei, Shandong, Shanxi, Guangxi, Anhui, Guizhou Province of China.
- The youngest employee on site was 22 years old.
- There was a worker committee at this facility. A worker representative was present during the audit in the opening meeting and closing meeting.
- Site didn't have peak season.
- No sub-contractor was used anymore.
- 26 employees were randomly selected for interview; they were interviewed as 4 groups of 5 employees and the balance of 6 employees was interviewed individually.
- Payrolls for the period from July 2021 to June 2022 were provided for review. Randomly sampled 26 employees' payrolls records from June 2022 (current month), April 2022 (random month) and December 2021 (random month).
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day, 40 hours per week with at least 1 day off in a week.
- Based on the provided attendance records and payrolls, overtime wages were paid correctly. Employees were paid 150% and 200% rate of standard wage for overtime hours on normal workdays and overtime hours in rest days. No overtime hours was arranged on public holidays.
- Based on the provided attendance records, the status of overtime hours in sample was as below.

0-2 hours/ day in June 2022 (current month)

0-2 hours/ day in April 2022 (random month)

0-2 hours/ day in December 2021 (random month)

10-20 hours/ week in June 2022 (current month)

10-20 hours/ week in April 2022 (random month)

4-20 hours/ Week in December 2021 (random month)

36-72 hours/ month in June 2022 (current month)

50-78 hours/ month in April 2022 (random month)

52-86 hours/ month in December 2021 (random month)

Issues Found

NC's

3. Safety and Hygienic Conditions

- Partial goods were directly leaned against the wall and pillar. During facility tour, auditor found partial goods in finished products, semi-finished product material and raw material warehouse were directly leaned against the wall and pillar in the facility.
- Employees did not wear PPE (Personal Protective Equipment). During facility tour, auditor found that both two cleaning employees worked in assembly workshop did not wear gasmask, rubble gloves and goggle which were provided by facility.
- No washing facility was installed at the workplace with toxic or hazardous substances. During facility tour, auditor found that chemical such as cleaning agent were used in the assembly Workshop, but no specialized eye wash station/shower was installed at that place.
- No occupational health examination was provided to partial employees engaged in post with occupational disease hazards. During facility tour, auditor found that there was one employee was working in mixing and smashing area (contacting noise and dust). However, no periodic occupational health examination reports which required by law for the one employee was provided for review.

Remark: The facility provided occupational health examination to the employees who contacting chemical.

5. Living Wages and Benefits

- Insufficient social insurance participated. Through document review of social insurance receipts records in June 2022(current month) provided by the facility, auditor found that there were 160 employees (excluding 10 retired employees) worked in the facility, however, only 120 employees (75%) had participated in basic endowment insurance, unemployment insurance, basic medical insurance, maternity insurance, and employment injury insurance. Furthermore, the facility provided commercial accident insurance to the employees who without employment injury insurance and all retired employees and the valid date was 10 May 2023.

6. Working Hours

- Overtime hours exceeded the legal requirement. During document review, auditor found that:
 - 1) In June 2022 (current month)), the monthly overtime hours of 11 out of 26 randomly selected employees was 72 hours.
 - 2) In April 2022 (random month), the monthly overtime hours of 26 out of 26 randomly selected employees was 50-78 hours.
 - 3) In December 2021 (random month), the monthly overtime hours of 26 out of 26 randomly selected employees was 52-86 hours.

Observation

1. Where businesses had an adverse impact on human rights within any of their stakeholders, they did not address these issues and enable effective remediation. Through document review and management interview, auditor noted that where businesses had an adverse impact on human rights within any of their stakeholders, they did not address these issues and enable effective remediation.

GE

1. The facility had one certification ISO9001:2015, the registration number was 0350222Q30286R4M, which was valid from 20 June 2022 to 19 June 2025.
2. The facility obtained ISO14001:2015 certificate (certificate no: 0350222Q30286R4M), valid period was from 20 June 2022 to 19 June 2025.

Additional Auditor Remark:

1. The Covid-19 risk of the area the facility located was defined as a low risk by government. Local government did not require facilities to adopt the prevention and control measures.

**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:	Hangzhou Freetron Industrial Co., Ltd.		
B: Site name:	Hangzhou Freetron Industrial Co., Ltd. 杭州富利登塑胶制品有限公司		
C: GPS location: (If available)	<table border="1"> <tr> <td>GPS Address: No.1117, Chunjiang East Road, Tongjun Street, Tonglu County, Hangzhou City, Zhejiang Province 浙江省杭州市桐庐县桐君街道春江东路 1117 号</td> <td>Latitude: 29.819979 Longitude: 119.720144</td> </tr> </table>	GPS Address: No.1117, Chunjiang East Road, Tongjun Street, Tonglu County, Hangzhou City, Zhejiang Province 浙江省杭州市桐庐县桐君街道春江东路 1117 号	Latitude: 29.819979 Longitude: 119.720144
GPS Address: No.1117, Chunjiang East Road, Tongjun Street, Tonglu County, Hangzhou City, Zhejiang Province 浙江省杭州市桐庐县桐君街道春江东路 1117 号	Latitude: 29.819979 Longitude: 119.720144		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The business license number is 91330100721065170J Valid Date: From 2 June 2000 to 1 June 2040		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Kitchenware		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Hangzhou Freetron Industrial Co., Ltd was located at No.1117, Chunjiang East Road, Tongjun Street, Tonglu County, Hangzhou City, Zhejiang Province. This was a joint enterprise. The total land area occupied by the facility was about 8500 square meters. The facility started their operation since 2000.</p> <p>A total of 170 employees including 98 female employees and 72 male employees are currently working in the facility. The ages ranged from 22 to 64 years old. There were 151 production employees and 19 non-production employees (including 4 managers). 52 employees were local, and 118 employees were migrant employees mainly from Jiangsu, Hunan, Jiangxi, Henan, Guangxi, Hubei, Shandong, Shanxi, Guangxi, Anhui, Guizhou Province of China.</p> <p>Injection, rubble mixing and molding Employees worked for 5 days a week in two shift, which was 8:00 to 20:00 and 20:00 to 8:00 of the next day with two hours rest time and two hours overtime. and the other employees worked for 5 days a week in two shifts, which was from 8:00 to 17:00 with one hour's lunch break from 12:00 to 13:00. All employees' wages were calculated on hourly rate basic. And the peak seasons was not obvious.</p>		

	In view of the facilities, the facility consisted of three flat building and two 3-storey buildings for office, production areas, warehouse, kitchen and canteen. No dormitory was provided in the facility.		
	Production Building no.1	Description	Remark, if any
	Floor 1	Mould, blow molding workshop	Year of establishment: 2018 Size: 820 square meters for per floor
	Floor 2-3	warehouse	Year of establishment: 2018 Size: 820 square meters for per floor
	Is this a shared building?	No	
	Production Building no.2	Description	Remark, if any
	Floor 1	Rubber mixing, molding and inspection workshop	Year of establishment: 2018 Size: 793 square meters.
	Floor 2	Assembly and packing workshop, finished product warehouse	Year of establishment: 2018 Size: 793 square meters.
	Floor 3	Kitchen and canteen	Year of establishment: 2018 Size: 793 square meters.
	Is this a shared building?	No	
	Production Building no.3	Description	Remark, if any
	Floor 1	Raw material warehouse and injection workshop	Year of establishment: 2002 Size: 2100 square meters.
	Is this a shared building?	No	

	<table border="1"> <tr> <th>Production Building no.4</th> <th>Description</th> <th>Remark, if any</th> </tr> <tr> <td>Floor 1</td> <td>Office and warehouse</td> <td>Year of establishment: 2017 Size: 120 square meters.</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </table>	Production Building no.4	Description	Remark, if any	Floor 1	Office and warehouse	Year of establishment: 2017 Size: 120 square meters.	Is this a shared building?	No	
	Production Building no.4	Description	Remark, if any							
	Floor 1	Office and warehouse	Year of establishment: 2017 Size: 120 square meters.							
	Is this a shared building?	No								
	<table border="1"> <tr> <th>Production Building no.5</th> <th>Description</th> <th>Remark, if any</th> </tr> <tr> <td>Floor 1</td> <td>Office</td> <td>Year of establishment: 2018 Size: 150 square meters.</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </table>	Production Building no.5	Description	Remark, if any	Floor 1	Office	Year of establishment: 2018 Size: 150 square meters.	Is this a shared building?	No	
	Production Building no.5	Description	Remark, if any							
	Floor 1	Office	Year of establishment: 2018 Size: 150 square meters.							
	Is this a shared building?	No								
	For details, see below									
	For below, please add any extra rows if appropriate.									
<p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F2: Please give details: No crack was observed.</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: Construction safety permit of for all buildings were provided for review.</p>										
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor									
H: Month(s) of peak season: (if applicable)	Not obvious									
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main products manufactured by the facility were kitchenware.</p> <p>The main production processes were listed as follows: injection, rubber mixing, molding, assembly, inspection and packaging</p> <p>The production capacity was 1500000 pieces per month.</p>									

	<p>The main machine list of the facility was as following: Rubber mixing machine: 3 sets, molding machine: 30 sets, injection machine: 30 sets and etc.</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 type="checkbox"/> Other (specify) <input type="checkbox"/> None</p>
<p>K: Is there any night production work at the site?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation No dormitory was provided in the facility.</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA. No dormitory was provided in the facility.</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:50 Day 1 Time out: 16:50	Day 2 Time in: 08:50 Day 2 Time out: 16:50	Day 3 Time in: 08:00 Day 3 Time out: 12:00
B: Number of auditor days used:	2.5 man-day (One auditor in 2.5 day)		
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: Two weeks from 8 August 2022 to 21 August 2022 <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Luo Yixiang/Vice Factory Director		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	23-24 August 2021		
J: Previous audit type:	Periodic audit		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Remark: The facility provided the CAP of 2021		

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>	No union existed in the facility		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	19	0	0	51	0	0	0	70
Worker numbers – female	29	0	0	67	0	0	0	96
Total	48	0	0	118	0	0	0	166
Number of Workers interviewed – male	2	0	0	11	0	0	0	13
Number of Workers interviewed – female	3	0	0	10	0	0	0	13
Total – interviewed sample size	5	0	0	21	0	0	0	26



A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first. Please add more nationalities as applicable to site. Add more rows if required.</p>	<p>Nationalities: B1: Nationality 1: <u>China</u> B2: Nationality 2: _____ B3: Nationality 3: _____ 48 employees were local, and 118 employees were migrant employees mainly from Jiangsu, Hunan, Jiangxi, Henan, Guangxi, Hubei, Shandong, Shanxi, Guangxi, Anhui, Guizhou Province of China. No foreign employees was in the facility.</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe how this may vary during peak periods: NA, no peak month in the facility.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate D1: <u>100</u>% hourly paid workers D2: _____% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: <u>100</u>% monthly paid D6: _____% other D7: If other, please give details</p>	

Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4 groups of 5 employees	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3	D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	No complaint was raised during the interview.	
I: What did the workers like the most about working at this site?	The facility management was kind to them.	
J: Any additional comment(s) regarding interviews:	Most employees enjoyed working at this facility, and they felt they had reasonable wage and had a good relationship with management in general.	
K: Attitude of workers to hours worked:	They stated that the overtime work was voluntary, and they were satisfactory with the working hours.	
L. Is there any worker survey information available?		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

L1: If yes, please give details: *There was an annual worker satisfaction survey conducted by management in the facility.*

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

26 employees were randomly selected for interview; they were interviewed as 4 groups of 5 employees and the balance of 6 employees were interviewed individually. The employees were comfortable, and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages. They had good relationship with their supervisors and managers who treated them with respect.

They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions adopted. They were able to complain directly to their supervisors and felt free to give their general concerns to their representative who would take it to the management.

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

Worker representative was satisfied with the working conditions, and she stated that she could give suggestions on all parts of the site's practices.

O: Attitude of managers:

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

The management was open and cooperative throughout the process of the audit. The audited facility designated several management staff to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to several different management staff, and these assigned persons completed their assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour.

A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. Photos taking of the facilities and copies' keeping of the samples of the reviewed documents were also permitted by the facility management.

In the closing meeting, the management agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had a policy, endorsed at the highest level, covering human rights impacts and issues, and it was communicated to all appropriate parties, including its own suppliers.
2. The facility had a designated person Yes Mr. Luo Yixiang/Vice Factory Director responsible for implementing standards concerning Human rights
3. The facility had identified their stakeholders and salient issues.
4. The facility had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. Where businesses had an adverse impact on human rights within any of their stakeholders, the facility did not address these issues and enable effective remediation.

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

Details:

1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.

Any other comments:

None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details (mainly applicable for the parent company): It stipulated complying with ETI Code and respected 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. Luo Yixiang Job title: Vice Factory Director</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 Please give details: The employees could raise the human rights issues by suggestion box confidentially without fear of reprisals towards the reporter or call the hotline to the Manager, supervisors and team leaders directly. Sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns.</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 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 Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible persons (HR staff). And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised persons (HR staff).</p>

Findings		
<p>Finding: Observation <input checked="" type="checkbox"/></p> <p>Description of observation:</p>	<p>Company NC <input type="checkbox"/></p>	<p>Objective evidence observed:</p>

<p>Where businesses had an adverse impact on human rights within any of their stakeholders, they did not address these issues and enable effective remediation. Through document review and management interview, auditor noted that where businesses had an adverse impact on human rights within any of their stakeholders, they did not address these issues and enable effective remediation.</p> <p>Local law or ETI/Additional elements / customer specific requirement: Local law: no local law applies ETI: In accordance with the ETI Base Code 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>Comments: It was recommended that where businesses had an adverse impact on human rights within any of their stakeholders, the facility should address these issues and enable effective remediation.</p>	<p>Document review and management interview</p>
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Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: ___5___ %	A2: This year ___5___ %
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: ___6___ %	C2: This year ___5___ %
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	4%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Though the accident records, no accident happened in last 2 years.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___ % workers	I2: 12 months ___0___ % workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ____0____% workers	J2: 12 months ____0____% workers
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0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

- The facility implemented and maintained systems for delivering compliance to this Code. A CSR manual was created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements. Responsibility for implementing the legal and client's code requirements was shared to Mr. Luo Yixiang/Vice Factory Director for ensuring the compliance of the standards. There was an internal audit team for internal audit of the social standards of the facility and they reported their findings to Mr. Luo Yixiang/Vice Factory Director. Implementation of any necessary changes was then given to the individual department head after agreement with Mr. Luo Yixiang/Vice Factory Director.
- The facility was operating legally and had the correct & valid business license. The facility had provided the valid land using permit and the property ownership certificate of the facility buildings for reviewing.
- The appointed senior management responsible for compliance with the Code was Mr. Luo Yixiang/Vice Factory Director.
- The facility communicated the code to all workers by regular trainings.
- The facility communicated the code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the facility also conducted social compliance assessments for its suppliers annually.
- Implementation of any necessary changes was then given to the individual department heads after agreement with the facility manager.
- The site had set a system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
- The site had set a written policy and procedures specific to land rights.

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

Details:

- The CSR manual; client's code of conduct at the facility (posted in Chinese in the workplaces); Appointment papers for compliance responsible persons; Internal audit documents (e.g. annual audit reports) from the internal audit team; management system certificate.
- Business license; the land using permit and the property ownership certificate of facility building.
- The appointment paper for the senior management responsible for compliance with the Code

4.Training records for workers
 5.Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers
 6.Management interview and worker interview

Any other comments:
 None

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No fine or prosecution for non-compliance to any regulation was found in the facility.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had set up and implemented procedures of no forced labour, no child labour and no discrimination, harassment & abuse in the facility. One manager was appointed to take responsibility for the complement of these policies, such as when hiring employee, the ID card was needed to check the ages of employees. Male and female employees are on the same pay grade etc. Relevant training was provided for workers.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through employment contract and ID copies review, no child labour under the age of 16 years old was employed. Through employee interview, all interviewees stated that they were free to move in the facility and they were paid based on their work experience and skills. The management were all nice to them.
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: Training about no forced labour, non-child labour, none discrimination and non-harassment & abuse was provided by the facility when new employees come in. Managers were also required to participate such training yearly.
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: Regular training records were provided for review, the latest training was held in June 2022. The workers were aware clearly of the facility's

	<p>relevant policies and procedures about forced labour, child labour, discrimination, harassment and abuse according to the interviews.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F1: Please give details: The facility had one certification ISO9001:2015, the registration number was 0350222Q30286R4M, which was valid from 20 June 2022 to 19 June 2025. And The facility obtained ISO14001:2015 certificate (certificate no: 0350222Q30286R4M), valid period was from 20 June 2022 to 19 June 2025.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details: The facility had Human Resources department which in charge of the recruitment of workers, assignment of employees' post, etc. and the Mr. Luo Yixiang/Vice Factory Director was also responsible for Human resources issues and he was available in the facility and present in the audit.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: Please give details: The appointed senior management responsible for compliance with the Code was Mr. Luo Yixiang/Vice Factory Director.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>I1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>J1: Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible persons (HR staff). And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised persons (HR staff).</p>

<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: the site had required land rights, licences or permission such as house property certificate.</p>
<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 L1Please give details: Risk assessments were conducted, and outputs were reviewed by management to establish steps to remove, avoid or mitigate any risks identified.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: NA</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 licenses were provided, such as Land Certificate, property ownership certificate.</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 site had set a system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Through document review and management interview, auditor found that the facility had set a written policy and procedures specific to land rights.</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: NA. No such situation happened in facility.</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: NA, the facility did not have plan of land acquisition.</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</p>

	S1: Please give details: No illegal appropriation of land for facility building or expansion of footprint.
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): The facility had one certification ISO9001:2015, the registration number was 0350222Q30286R4M, which was valid from 20 June 2022 to 19 June 2025.</p>	<p>Objective Evidence Observed: Document review</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:

1. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
3. The employing handbook – given to all workers on joining, stated that workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours, the rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search.
5. The factory did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The factory did not use prison labour.
7. The above was confirmed in management and employee interview.

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

Details:

1. The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review
2. Personnel files
3. Contracts to establish notice periods.
4. Management interview and employee interview.
5. Facility tour showed no sign of employees being under pressure.

Any other comments:

None

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

- Yes
 No

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

<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: Not applicable. Remark: there was no any restriction on workers' freedom to terminate employment. Workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work.</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: Not applicable (the audited facility was not UK based or registered and turnover was less than 36m+, so modern-day slavery statement was not required for the audited facility)</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: Not applicable. Remark: There was no restriction on workers' freedoms to leave the site at the end of the workday. According to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: According to the document review and management interviews, there was no risk of forced / trafficked / bonded labour 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 type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Not applicable. According to the document review and management interviews, there was no risk of forced / trafficked / bonded labour in its supply chain.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective evidence observed: Not applicable</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.

- 1. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organization and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organization, etc.
- 2. There was no union at the site.
- 3. Through management interview, auditor noted that the facility management would communicate with their employees about issues they concerned about. Through employees' interview, auditor noted that they were able to make suggestions to the facility management and sometimes they had seen these suggestions adopted. They were able to complain directly to their management through hotline and face to face talking.
- 4. The meeting between with facility management and worker representatives was conducted once every month.

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

Details:

- 1. Written freedom of association procedure was established in the facility, which recognized and respected the right of employees to exercise their lawful right of free association.
- 2. Employee handbook was reviewed. It stated that employees were free to form labour union. Nobody would be treated differently whether they were members of labour union.
- 3. The record from the group email, hotline, suggestion box and what relevant actions had been taken was reviewed. Facility management commented that they collect the suggestions and review them in the management meeting once a week. If agreed, they would take the relevant actions to improve.
- 4. The lasted meeting records between facility management and worker representatives were provided to review.
- 5. The employee also could raise their opinions/ suggestions/ complains etc. by freely speak out face to face to management.

Any other comments:

None

<p>A: What form of worker representation/union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None	
<p>B: Is it a legal requirement to have a union?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>C: Is it a legal requirement to have a worker's committee?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Through EHS committee representatives, telephone, and their team leaders or above, etc. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility had provided meeting room to conduct worker committee meeting regularly to report and discuss the worker's complaint and advise.	
<p>F: Name of union and union representative, if applicable:</p>	<p>Not applicable. No union existed in facility.</p>	<p>F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>Yes. One worker committee existed in the facility.</p>	<p>G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Ms. Li X</p>
<p>I: Were worker representatives freely elected?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Date of last election: 18 February 2022</p>
<p>J: Do workers know what topics can be raised with their representatives?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>K: Were worker representatives/union representatives interviewed?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: one worker representative was interviewed.	
<p>L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.</p>	<p>There were meeting minutes of the workers committee confirmed that they would meet with management regularly. Last meeting was conducted on 4 July 2022 and the topics covered the topic of health and safety. Meeting minutes were communicated to total workforce in oral and posted onsite.</p>	

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 facility.	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA Not applicable, no Collective Bargaining Agreement	M2: ____% workers covered by worker rep CBA Not applicable, no Collective Bargaining Agreement
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, no Collective Bargaining Agreement	

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective evidence observed: Not applicable</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. Luo Yixiang/Vice Factory Director was also responsible for Health & Safety issues in the site.
 - Potable water was freely available in all areas and test certificates were up to date.
 - Sufficient clean toilets segregated by gender were available at all times to employees
 - Ventilation, temperature and lighting were adequate for the production processes.
 - Minutes of meetings show that there are monthly meetings between the workers and the management, and each point is acted on.
 - Accident reports were available for review.
 - There was valid qualification certificate for the person for the management of work safety and the principal in charge in the factory.
- 2. Fire Safety
 - There were at least 2 exits from each work area and they were clearly marked.
 - Firefighting equipment was adequate and checks were up to date.
 - Fire drills were organized and recorded every 6 months.
 - Training had been given by the local fire department and fire marshals had been specially selected for extra training.
 - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
 - The open directions of the safety exit doors were adequate.
 - Evacuation routes were designed well with yellow lines and unblocked.
- 3. Electrical safety
 - There was a competent electrician at the site and the certificate was available for review.
 - All electrical equipment was in good condition such as sockets, plugs, switches and main fuse boards
- 4. Medical services
 - There were adequate first aid kits in each production area, and they were well stocked.
 - There were 10 first aiders in the facility.
- 5. Machine Safety

- Protective devices were installed for the dangerous parts of the machines.
- The registration certificates and annual inspection reports of special appliances (i.e. cargo lift) were valid and available for review.

6. Chemical safety

- The chemicals (cleaner agent and etc.) were used in the facility. The regular training for the chemical was provided for the relevant employees.
- MSDS and chemical label was post onsite for chemical.

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

Details:

1. Health and safety policy
 2. Health and safety manual
 3. Health and safety committee minutes
 4. Training records and certificates
 5. Fire equipment maintenance records
 6. Fire drill records on 17 December 2021 and 17 June 2022
 7. Trained first aider certificate.
 8. Accident reports
 9. Facility tour
- Management interview and employee interview

Any other comments:
None

<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: Safety production rule and safety operating procedure were posted in the workshop.</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: The policies included in worker's manual.</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: No such structural additions.</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: The facility would communicate with the EHS policy with visitors before they conducted facility tour and no personal protective equipment was needed in the facility for the visitor.</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</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: Not required by law. No medical room was provided for the workers and there was no such legal requirement for the facility.</p>

rooms suitable for the number of workers.	
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: There was no doctor or nurse in the facility and doctor or nurse was also not required legally for the facility. There were 10 first aiders who had been trained at a local hospital and there were first aid kits with adequate first aid supplies on all facility floors, so the workers were easy access to first aid and first aiders.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A. The facility did not provide worker transport.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal storage spaces were provided for workers in their living space and were fit for purpose.
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: H&S Risk assessment was conducted on June 2022 by the facility.
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 facility has obtained the environment impact assessment report and environmental impact approval.
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: The facility has obtained the environment impact assessment report and environmental impact approval.

Non-compliance:

1. Description of non-compliance:

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

Partial goods were directly leaned against the wall and pillar. During facility tour, auditor found partial goods in finished products, semi-finished product material and raw material warehouse were directly leaned against the wall and pillar in the facility.

Local law and/or ETI requirement

Local law:

In accordance with General Rules for Fire Safety Management of Storage Occupancies GA1131-2014 Article 6.8

Objective evidence observed:

(where relevant please add photo numbers)
 Facility tour
 Refer to NC photo 1 and 2

<p>The following requirements shall be met for goods or materials to be piled up in warehouse:</p> <p>a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam);</p> <p>c) The distance between the goods or materials and the wall shall be no less than 0.5m;</p> <p>d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m;</p> <p>e) The distance between different stacking of goods or materials shall be no less than 1m.</p> <p>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.</p> <p>Recommended corrective action: It was recommended that the facility should store the products properly.</p>	
<p>2. 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:</p> <p>Employees did not wear PPE (Personal Protective Equipment). During facility tour, auditor found that both two cleaning employees worked in assembly workshop did not wear gasmask, rubble gloves and goggle which were provided by facility.</p> <p>Local law and/or ETI requirement Local law: In accordance with Law of the PRC on Work Safety Article 45, Production and business entities shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.</p> <p>ETI requirement: 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.</p> <p>Recommended corrective action: It was recommended that the facility should ensure supervise and train the employees on properly wearing PPE.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Facility tour Refer to NC photo 3</p>
<p>3. 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:</p> <p>No washing facility was installed at the workplace with toxic or hazardous substances. During facility tour, auditor found that chemical such as cleaning</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>

<p>agent were used in the assembly Workshop, but no specialized eye wash station/shower was installed at that place.</p> <p>Local law and/or ETI requirement Local law: In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 25, at the workplace with toxic or hazardous substances where acute occupational injuries may occur, the employer shall have such places equipped with alarming devices, first-aid supplies and washing equipment, and have emergency exit passages built and necessary risk relief areas prepared. For the workplaces exposed to radioactive substances and the transportation and storage of radioisotope, the employer shall install protective equipment and alarming devices, and make sure that the workers exposed to radioactive rays wear personal dosimeters. With regard to the equipment for prevention of occupational diseases, emergency rescue facilities, and the articles to be used by individuals for prevention of occupational diseases, the employer shall have them maintained and overhauled regularly and have their properties and effects tested periodically, in order to keep them in normal condition. Without authorization, it shall not have them dismantled or discontinued their use. Hygienic Standards for the Design of Industrial Enterprises (GBZ1-2010) Article 8.3, In workplaces or workshops where chemical burns or acute poisoning resulting from mucous absorption may occur, emergency response facilities should be established nearby based on the potential or existing occupational hazardous factors and characteristics. Emergency response facilities should include shower and eye wash devices with continuous water supply, gas protection cabinet, personal protective equipment, first-aid kit and medicine, stretcher and devices for transfer of patients, first aid equipment and communications equipment for emergency rescue.</p> <p>ETI requirement: 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.</p> <p>Recommended corrective action: It was recommended that the facility should install relevant washing facility at the workplace with toxic and hazardous substances where acute occupational injuries may occur.</p>	<p>Managements' interview and Facility tour</p>
<p>4. 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: No occupational health examination was provided to partial employees engaged in post with occupational disease hazards. During facility tour, auditor found that there was one employee was working in mixing and smashing area (contacting noise and dust). However, no periodic occupational health examination reports which required by law for the one employee was provided for review. Remark: The facility provided occupational health examination to the employees who contacting chemical.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Managements' interview and document review</p>

Local law and/or ETI requirement

Local law: In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practicing Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council.

ETI requirement: 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.

Recommended corrective action:

It was recommended that the facility should provide occupational health examination to the relevant employees who work with occupational hazards according to legal requirements.

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence

observed:
Not applicable

Good Examples observed:

Description of Good Example (GE): None observed	Objective Observed: Not applicable
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4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. There was a written recruitment procedure which states that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards will be given back to the workers; and the facility will never employ and use any child labour under the age of 16 years old.
- 2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
- 3. There was a written child labour remediation procedure though there was no child labour in the facility.
- 4. The written worker roster was available.
- 5. The worker' personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 22 years old.
- 6. Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.

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

Details:

- 1. The employee's personnel files were provided for review. Each file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
- 2. The facility's policy on child labour was reviewed. It states that the facility will never employ and use any child labour under the age of 16 years old.
- 3. Facility tour
- 4. Management interview and employee interview.

Any other comments:

None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	22 years old

C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details Not applicable. No worker under 18 years old in the facility.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The local minimum wage standard for full-time work was set at RMB 1660 per month equivalent to RMB 9.54(1660/21.75/8) per hour before 1 August 2021, RMB2070 per month equivalent to RMB 11.88(2070/21.75/8) per hour since 1 August 2021.
2. Employees' wages were calculated by hourly rate. The minimum normal wage paid by the facility was RMB 13.22 per hour based on provided payroll records. 150% and 200% of normal rate was paid by the facility to employees for their overtime on normal workdays and rest days. No overtime occurred on holidays.
3. Through document review and employees' interview, the numbers of workers on attendance and payroll records are consistent with the number of workers in the employee register.
4. The calculated period was from 1st to 31st of every month. All employees were normally paid on 30th of each month by cash and the pay slips were also given to employees when the wages issued.
5. All employees were 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.
6. Insufficient social insurance participated. Through document review of social insurance receipts records in June 2022(current month) provided by the facility, auditor found that there were 160 employees (excluding 10 retired employees) worked in the facility, however, only 120 employees (75%) had participated in basic endowment insurance, unemployment insurance, basic medical insurance, maternity insurance, and employment injury insurance. Furthermore, the facility provided commercial accident insurance to the employees who without employment injury insurance and all retired employees and the valid date was 10 May 2023.
8. Based on the provide records and employee interview, the facility provided paid leaves such as annual leave, sick leave, maternity leave etc. to employee as per law.

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

Details:

1. Payroll records from July 2021 to June 2022 and attendance records from 1 July 2021 to 9 August 2022 were reviewed.
2. Production records: Daily production records and material in/out records.
3. Employee interview

- 4. Wage policy
- 5. Leave management policy and leave records
- 6. Social insurance receipts
- 7. Management and employee interview

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Insufficient social insurance participated. Through document review of social insurance receipts records in June 2022(current month) provided by the facility, auditor found that there were 160 employees (excluding 10 retired employees) worked in the facility, however, only 120 employees (75%) had participated in basic endowment insurance, unemployment insurance, basic medical insurance, maternity insurance, and employment injury insurance. Furthermore, the facility provided commercial accident insurance to the employees who without employment injury insurance and all retired employees and the valid date was 10 May 2023.

Local law and/or ETI requirement

Local law: In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

ETI requirement: 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.

Recommended corrective action:

It was recommended that the facility should ensure all employees to participate in all social insurance.

Objective evidence observed:

(where relevant please add photo numbers)

Employees' interview and Document review

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement in the facility.
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: 0-2 hours/ day in June 2022 (current month) 0-2 hours/ day in April 2022 (random month) 0-2 hours/ day in December 2021 (random month) 10-20 hours/ week in June 2022 (current month) 10-20 hours/ week in April 2022 (random month) 4-20 hours/ Week in December 2021 (random month) 36-72 hours/ month in June 2022 (current month)	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement in the facility.

		50-78 hours/ month in April 2022 (random month) 52-86 hours/ month in December 2021 (random month)	
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: The local minimum wage standard for full-time work was set at RMB 1660 per month equivalent to RMB 9.54(1660/21.75/8) per hour before 1 August 2021, RMB2070 per month equivalent to RMB 11.88(2070/21.75/8) per hour since 1 August 2021.	C1: The minimum wage paid by the facility was RMB 13.22 per hour based on provided payroll records.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement in the facility.
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: 1) No less than 150% of the normal wages for overtime working on normal weekdays; 2) No less than 200% of the normal wages for overtime working on rest day if no deferred rest can be taken; 3) No less than 300% of the normal wages for overtime working on statutory holidays	D1: Based on provided payroll records, 1) To pay 150% of the normal wages for overtime working on normal weekdays; 2) To pay 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken. 3) No overtime occurred on normal workdays or holidays.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Collective Bargaining Agreement in the facility.

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	26 payroll records from June 2022 (current month) 26 payroll records from April 2022 (random month) 26 payroll records from December 2021 (random month)
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes , please give details: N/A

<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If No, please give details: N/A</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 13.22 per hour</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: 100___% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: None <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i></p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Personal income tax and social insurance (pension, unemployment, maternity, sickness and injury)</p>		
<p>I: Have these deductions been made?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>Please describe: NA</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Social insurance fee 2. personal income tax Please describe: Paid by the facility</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The facility used electronic attendance system, and the records reflected all time worked.		

<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: The facility had not defined living wages; regular wages were paid above minimum wages standard.</p>
<p>M2: If yes, what was the calculation method used.</p>	<p><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: Not applicable, there was no defined living wage.</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility conducted internal audit once per year to check the compliance of wages.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employee's interviews' interview, it was confirmed that equal rates are being paid for equal work.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All the workers in employee interview stated that they worked overtime on voluntary basis.
2. The facility used electronic system to record all employees' attendance records. Peak seasons are not obvious in the facility.
3. According to provided attendance records and employee interview, basic working hours were 8 hours per day and 40 hours per week.
4. Based on the provided attendance records, the status of overtime hours in samples were as below:
 0-2 hours/ day in June 2022 (current month)
 0-2 hours/ day in April 2022 (random month)
 0-2 hours/ day in December 2021 (random month)

 10-20 hours/ week in June 2022 (current month)
 10-20 hours/ week in April 2022 (random month)
 4-20 hours/ Week in December 2021 (random month)

36-72 hours/ month in June 2022 (current month)
 50-78 hours/ month in April 2022 (random month)
 52-86 hours/ month in December 2021 (random month)
 5. Employees had at least 1 day off every 7-day-period.
 6. In this audit, auditor had randomly selected production record, such as: production records and material in/out records and crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted either.

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

Details:

1. Electric attendance system: 13 months and 8 days' (from 1 July 2021 to 9 August 2022) attendance records were provided for review during this audit.
2. Working policy
3. Production records: daily production records and material in/out records
4. Employee interview and management interview.

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

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

Overtime hours exceeded the legal requirement. During document review, auditor found that:

- 1) In June 2022 (current month)), the monthly overtime hours of 11 out of 26 randomly selected employees was 72 hours.
- 2) In April 2022 (random month), the monthly overtime hours of 26 out of 26 randomly selected employees was 50-78 hours.
- 3) In December 2021 (random month), the monthly overtime hours of 26 out of 26 randomly selected employees was 52-86 hours.

Local law and/or ETI requirement:

Local law:

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

ETI requirement: 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.

Objective evidence observed:

(where relevant please add photo numbers)

Document review and Employees interview

<p>Recommended corrective action: It was recommended that the facility should reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month.</p>	
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

Working hours' analysis					
Please include time e.g. hour/week/month <i>(Go back to Key information)</i>					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: Electric system for all employees				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			

		Not applicable
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>E1: If yes, please detail hours, %, types of workers affected and frequency</i> Please give details: Not applicable
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days 6 days in June 2022 (current month); 6 days in April 2022 (random month); 6 days in December 2021 (random month).	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/ day in June 2022 (current month) 2 hours/ day in April 2022 (random month) 2 hours/ day in December 2021 (random month) 20 hours/ week in June 2022 (current month) 20 hours/ week in April 2022 (random month) 20 hours/ Week in December 2021 (random month) 72 hours/ month in June 2022 (current month) 78 hours/ month in April 2022 (random month) 86 hours/ month in December 2021 (random month)	

<p>J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>_14.1_%</p>
<p>L: Is overtime voluntary?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information <p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: All the workers in employee interview stated that they worked overtime on voluntary basis.</p>
<p>Overtime Premiums</p>	
<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium <p>M1: Please give details of normal day overtime premium as a % of standard wages: 150% and 200% of normal rate was paid by the facility to employees for their overtime on normal workdays and rest days. No overtime occurred on holidays.</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>N1: If yes, please describe % of workers & frequency: 100% workers paid at a premium monthly</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>	<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 <p>NA</p> <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>NA</p>
<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>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) <p>NA</p> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>

	<p>NA. The weekly hours were no more than 60 hours according to provided attendance records. The maximum weekly working hours were 60 hours.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: Overtime hours were being used for increased order volumes.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. No employee was required to do the examination of the hepatitis B virus and HIV.
3. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit.
4. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
5. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
6. Through document review, auditor found that the employee roster provided by facility did not include the information of form of employment, starting time of employment and length of labour contract.

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

Details:

1. Management interview
2. Employee interview

Any other comments:

None

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 female employees were in skilled or technical roles, such as in the sample making department
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 type="checkbox"/> No evidence of discrimination found

	C1: Please give details: NA, none observed
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Professional Development	
A: What type of training and development are available for workers?	Employee handbook and factory rules training, EHS training, fire safety training, machine operating training, benefit and working hours training 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: N/A
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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: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: (where relevant please add photo numbers) Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All employees were recruited by the facility directly. No labor agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
2. No subcontractors were used.
3. All employees had received copies of signed labor contracts.
4. The effective management system was in place to identify and monitor the hiring and management of all workers. The workers were migrant workers in the facility.
5. No temporary worker and apprenticeship scheme existed in the factory. No home-working existed in the factory.
6. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc.
7. The labour contracts of all workers were available for review. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

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

Details:

1. The recruitment and termination practices
2. Personal files with labour contracts and ID copies for the employees

3. Payroll records were provided for review.
 4. Trainings records about the recruitment policy and procedure.
 5. Management and employee interview

Any other comments:
 None

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</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 B1: If yes, please describe details and specific category(ies) of workers affected: N/A</p>
<p>C: If yes, check all that apply:</p>	<p><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: Not applicable.</p>
<p>D: If any checked, give details:</p>	<p>Not applicable (workers need not pay any fee, taxes, deposit or bond at any stage of the employment)</p>

<p>Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i></p>		
<p>A: Type of work undertaken by migrant workers:</p>	<p>All workers were migrant workers in the facility and migrant workers work in all production process</p>	
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used: None B2: Total number of (outside of local country) recruitment agencies used: None. All employees were hired directly by the facility.</p>	
<p>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?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA, no such deduction.</p>	<p>C2: Observations: NA, no such deduction.</p>

<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: If yes, number and example of roles: 5 migrant employees belonged to skilled roles</p>
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
<p>A: Are there any fees?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>B: If yes, check all that apply:</p>	<ul style="list-style-type: none"> <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 <p>B1 – If other, please give details: Not applicable, no fees required</p>
<p>C: If any checked, give details:</p>	<p>Not applicable, no fees required</p>

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>	
<p>A: Number of agencies used (average):</p>	<p>A1: Names if available: Not applicable, site does not use agencies</p>

B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site does not use agencies
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site does not use agencies
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Not applicable, site does not use agencies
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 E1: Please give details: Not applicable, site does not use agencies

Contractors:	
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,	
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?	Not applicable, No contractor worker on site
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable, No contractor worker on site
D: If Yes , please give evidence for contractor workers being paid per law:	Not applicable, No contractor worker on site

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. A site tour showed that all production processes were present in the unit.
2. There was no subcontractors or homeworking used by the facility.
3. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.

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

1. Site tour (Calculation on total production and estimated capacity)
2. Reviewing of the production records such as materials receiving and issuing records
3. Management interview
4. Worker interview

Details: NA

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements
 NC against Local Law
 NC against customer code:
 None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)
 Not applicable

Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI/Additional elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

Summary of sub-contracting – if applicable	
<input checked="" 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 type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:</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 type="checkbox"/> No B1: If Yes, summarise details:</p>
<p>C: Number of sub-contractors/agents used:</p>	
<p>D: Is there a site policy on sub-contracting?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes, summarise details:</p>
<p>E: What checks are in place to ensure no child labour is being used and work is safe?</p>	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
<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>	B1: Male:	B2: Female:	Total:
<p>C: Are homeworkers employed direct or through agents?</p>	<p><input type="checkbox"/> Directly <input type="checkbox"/> Through Agents</p>		C1: If through agents, number of agents:

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

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

ETI

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

Additional elements:

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

<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: Through hotline</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Though the employee interview, all employees said they could use hotline to report violations of Labour standards and H&S</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>Through hotline</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: Though employee interview, all employees said they could use hotline to report violations of Labour standards and H&S</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>
--	--

Current Systems and Evidence Examined

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

Current systems:

1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure
2. As per management interview, document review and employee interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, which is an anonymous email address, where employees can report any grievances (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.
4. Through employee interview, no harsh or inhumane treatment occurred in the facility.

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

Details:
 1. Disciplinary procedure;
 2. Manager and employee interview

Any other comments:
 None.

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

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

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

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current systems:

1. Per document review, facility management representation and employee interview, 52 employees were local, and 118 employees were migrant employees mainly from Jiangsu, Hunan, Jiangxi, Henan, Guangxi, Hubei, Shandong, Shanxi, Guangxi, Anhui, Guizhou Province of China.
 All employees had the proper legal rights to work in this region. The youngest age was 22 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
 2. No agency staff or foreign employee was used by the facility.

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

Details:

- 1. Hiring procedure
- 2. Personnel files
- 3. Employee interview

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements
- NC against Local Law
- NC against customer code:
- None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>
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<p>Good examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had established written environmental policy.
2. The Facility manager Mr. Luo Yixiang/Vice Factory Director was responsible for continuous improvements in their environmental performance.
3. The facility had provided the Environmental Impact Assessment (EIA) and Environmental Impact Assessment (EIA) approval for review
4. The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations for recently year.
5. The facility had established written environmental policy and environmental policy had communicated to its own suppliers.
6. The facility had identified the significant environmental impact of their site and its processes.

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

Details:

1. Environmental training records and EIA document
2. Employee and management interview.
3. Facility tour

Any other comments:
None

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI /Additional Elements requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good examples observed:	
<p>Description of Good Example (GE): The facility obtained ISO14001:2015 certificate (certificate no: 0350222Q30286R4M), valid period was from 20 June 2022 to 19 June 2025.</p>	<p>Objective Evidence Observed: Document review</p>

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Luo Yixiang/Vice Factory Director
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had conducted risk assessment on the environmental impact of the site once per year.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility obtained ISO14001:2015 certificate (certificate no: 0350222Q30286R4M), valid period was from 20 June 2022 to 19 June 2025.
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. Posted on site made it public.
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 policy addressed the 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
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: NA
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility had provided the Environmental Impact Assessment (EIA) and Environmental Impact Assessment (EIA) approval for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The facility had established 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 facility had established related 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: All related records had been provided for review.
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: All related records had been provided 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 facility had established related system.
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: All related records had been provided for review.

Usage/Discharge analysis

Criteria	Previous year: Please state period: January 2021- December 2021	Current Year: Please state period: January 2022- August 2022
Electricity Usage: <i>Kw/hrs</i>	4398016	2530065
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>	Local water authority	Local water authority
Water Volume Used: <i>(m³)</i>	20120	19415
Water Discharged: <i>Please list all receiving waters/recipients.</i>	Local governmental municipal effluent	Local governmental municipal effluent
Water Volume Discharged: <i>(m³)</i>	20120	19415
Water Volume Recycled:	0	0

(m ³)		
Total waste Produced <i>(please state units)</i>	32.45 tons	25.1 tons
Total hazardous waste Produced: <i>(please state units)</i>	0.69 tons	0.5 tons
Waste to Recycling: <i>(please state units)</i>	27.66 tons	23.8 tons
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	4.1 tons	0.8 tons
Total Product Produced <i>(please state units)</i>	32606612 pieces	15883568 pieces

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had set a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
2. The facility had set a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice, and the policy had been communicated with employees by training and suppliers by letter.
3. The facility had designated Mr. Luo Yixiang/Vice Factory Director to be responsible for implementing standards concerning Business Ethics
4. The facility had provided Business Ethics training to staff whose job roles carry a higher level of risk in the area of ethical Business Practice.

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

Details:

The company business ethics policy including

1. Bribery

2. Corruption
 3. Training records
 4. Employee handbook
 5. Reports from Anonymous email account
 6. Management and employee interview

Any other comments:
 None

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI /Additional Elements requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Not applicable</p>

Observation	
<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</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 checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: policy for or third parties including suppliers and communicate to suppliers.</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 training was conducted by annually</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: The policy updated annually.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: Relevant documents provided for review.</p>

Other findings

<p>Other Findings Outside the Scope of the Code</p>
<p>None observed</p>

<p>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></p>
<p>None observed</p>

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





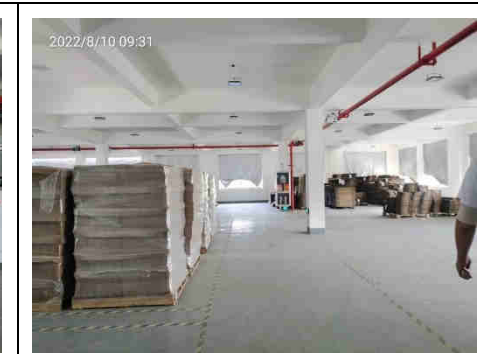



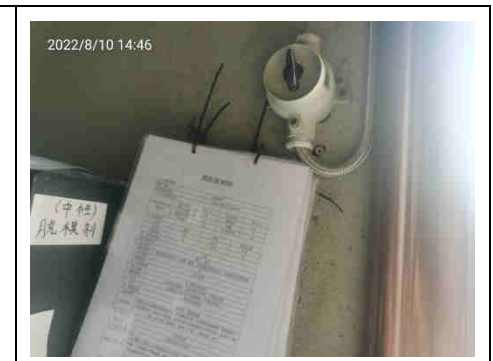
NC Photos

<p>NC photo 1: Partial goods were directly leaned against the wall.</p>	<p>NC photo 2: Partial goods were directly leaned against the pillar.</p>	<p>NC photo 3: Assembly employee did not wear PPE (gasmask, rubble gloves and goggle) on site</p>

General photos

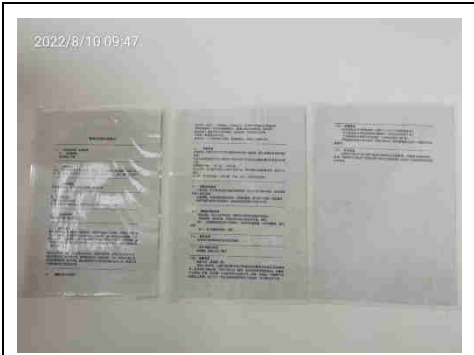
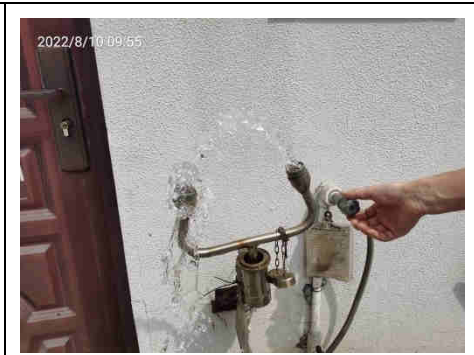
<p>Facility name</p>	<p>Facility address</p>	<p>Facility gate and building</p>




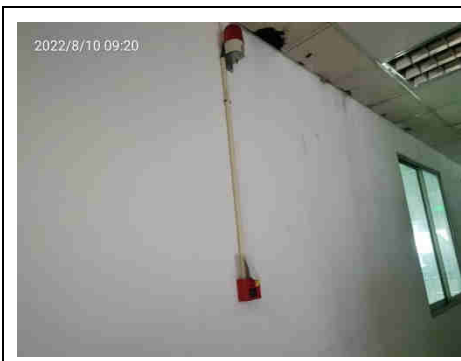

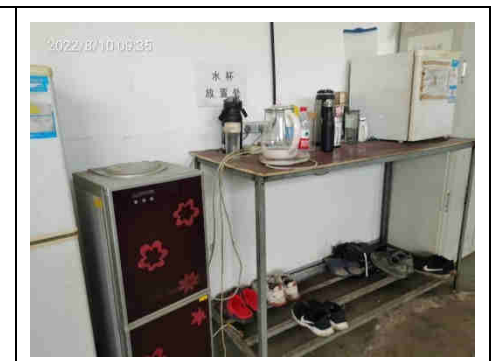
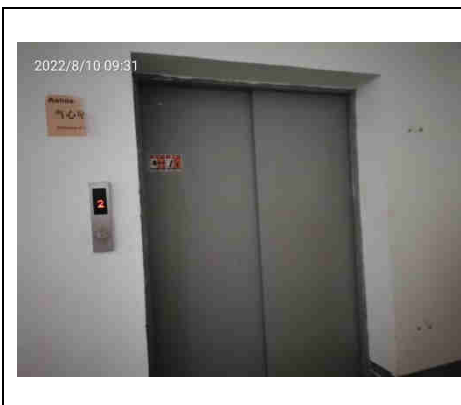


<p>Injection workshop</p>	<p>Assembly and packing workshop</p>	<p>Finished product warehouse</p>

		
<p>Mixing rubble workshop</p>	<p>Molding workshop</p>	<p>Inspection workshop</p>
		
<p>mould workshop</p>	<p>Complex warehouse</p>	<p>Raw material warehouse</p>
		
<p>Kitchen</p>	<p>Canteen</p>	<p>Anti-explosion switch</p>

		
<p>PPE (earplug, gasmask, rubber gloves, dustmask)</p>	<p>Fire hydrant</p>	<p>PPE notice</p>

		
<p>Evacuation map</p>	<p>Fire extinguishers</p>	<p>Chemical with second container</p>

		
<p>MSDS</p>	<p>Eye washing station for chemical warehouse</p>	<p>Chemical warehouse with second container</p>

		
<p>Electric box</p>	<p>Attendance station</p>	<p>First aid kit</p>
		
<p>Fire alarm</p>	<p>Emergency light and safety exit sign</p>	<p>Drinking water facility</p>
		
<p>Cargo lift</p>	<p>Travel crane</p>	<p>Suggesting box</p>

<p>Toilet</p>	<p>Evacuation sign</p>	<p>Assembly area</p>
<p>Notice board</p>	<p>Mousing-hook for travelling crane</p>	<p>No smoking sign</p>



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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:](#)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

[Click here for Auditors:](#)

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