




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1043475	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1079319
Business name (Company name):	DK Grand International Corp.		
Site name:	Tang Chou Pack Industrial Ltd. 中山唐洲日用制品有限公司		
Site address: <i>(Please include full address)</i>	Guanlan Industrial Park, Dongsheng Town, Zhongshan City, Guangdong Province, China 中国广东省中山市东升镇 观栏工业区	Country:	China
Site contact and job title:	Mr. Li Yang/ Manager		
Site phone:	86-760-88556477	Site e-mail:	921540343@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	24 September 2020		

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> DK Grand International Corp.
--	---

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

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 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: Josephine Li, Social Auditor APSCA number: RA 21700628

Lead auditor APSCA status: RA

Team auditor: None

APSCA number: None

Interviewers: Josephine Li, Social Auditor

APSCA number: RA 21700628

Report writer: Josephine Li, Social Auditor

Report reviewer: Kitty Gong

Date of declaration: 24 September 2020

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 (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	None observed
0B	Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	1. Machines without protective devices. 2. No training records / certificate of safety production knowledge and management skill for the persons for the management of work safety in the facility. 3. No occupational health examination was provided to employees engaged in post with occupational disease hazards.
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
5	Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	1. Insufficient social insurance participated.

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	1. Monthly overtime hours exceeded the legal requirement of 36 hours.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10B2	<u>Environment 2-Pillar</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	0	1. No environmental protection acceptance checks report for completed construction project.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	NA
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	NA

General observations and summary of the site:

- The products manufactured at this site were daily necessities (such as clipper, mat and insulation material).
- Overall responsibility for meeting the standards was taken by Mr. Gao Xi Geng/ Facility Manager.
- There was a total of 65 employees on site (55 were migrant employees and 10 were Local employees, all were permanent). Migrant employees were mainly from Jiangxi, Guangxi, Hunan, Guizhou.
- The youngest employee on site was over 19 years old.
- There was one worker committee at this facility.
- There was evidence of both male and female in management and among supervisor. The distribution was Male 60%, Female 40%.
- The peak month was not obvious in the facility.
- 10 employees were randomly selected for interview including 6 male employees and 4 female employees, they were interviewed as one group of 4 employees and the balances of 6 employees were interviewed individually.

- Payrolls for the period from September 2019 to July 2020 and attendance records for the period from 22 October 2019 to 24 September 2020 (audit day) were provided for review. Randomly sampled 10 employees' payrolls and attendance records from July 2020 (Current month), March 2020(Random month) and May 2020 (Random month) respectively for further checking on status of wages and working hours.
- Based on the provided attendance records, standard working hours in this facility were 8 hours per day and 40 hours per week.
- Based on the provided payroll records, the facility paid 150% of the normal wages for the extension of working hours on normal days and 200% of the normal wages for the extended hours on rest days. No overtime work was conducted on statutory holidays.
- Based on the provided attendance records, the status of overtime hours in sample was as below:
60 to 86 hours per month in July 2020(current month)
60 to 90 hours per month in May 2020(random month),
32 to 84 hours per month in March 2020(random month)

Issues Found

NC's

3.

- 1. Machines without protective devices. During facility tour, auditor found that no safety guard was installed for rolling part of one punching machine.
- 2. No training records / certificate of safety production knowledge and management skill for the persons for the management of work safety in the facility. During document review, auditor found that the facility could not provide the training records / certificate of safety production knowledge and management skill of persons for the management of work safety in the facility for review.
- 3. No occupational health examination was provided to employees engaged in post with occupational disease hazards. During facility tour, auditor found that there were 8 employees (total 8 employees) were working in workshop with hazardous chemicals including benzene, methylbenzene and dimethylbenzene and dust. However, no periodic occupational health examination reports which required by law for those 8 employees for review.

5.

- 1. Insufficient social insurance participated. Through document review, auditor found that only 59 out of 65 employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance in September 2020.

6.

- 1. Monthly overtime hours exceeded the legal requirement of 36 hours. Through document review, auditor found that the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 60 to 86 hours in July 2020(current month), 10 out of 10 randomly selected employees ranged from 60 to

90 hours in May 2020(random month) and the monthly overtime hours of 9 out of 10 randomly selected employees ranged from 40 to 84 hours in March 2020(random month).

10B2.

1. No environmental protection acceptance checks report for completed construction project. During facility tour, auditor found that products in the facility are daily necessities (such as clipper, mat and insulation material), and the main processes are cutting, injection, shaping, assembly and packing. In addition, there was a kitchen and canteen on 1/F of one 3-storey building. The waste gas cause influence on the environment. However, during document review, the facility could not provide the environmental protection acceptance check approval for their construction project for review.

Observation

None observed

GE

None observed

Additional Auditor Remark:

The facility abides by all current government regulation with respect to COVID-19. Social distancing is enforced, masks are required. Employees and visitor temperature is taken upon entrance to the facility. Verification of employee and visitor current physical condition is verified via completion of a questionnaire.

**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:	DK Grand International Corp.	
B: Site name:	Tang Chou Pack Industrial Ltd. 中山唐洲日用制品有限公司	
C: GPS location: (If available)	GPS Address: Guanlan Industrial Park, Dongsheng Town, Zhongshan City, Guangdong Province, China 中国广东省中山市东升镇观栏工业区	Latitude: No information provided by the facility. Longitude: No information provided by the facility.
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91442000733119578P Valid Date: From 29 November 2001 to 28 November 2051	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Daily necessities (such as clipper, mat and insulation material)	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Tang Chou Pack Industrial Ltd. was located at Guanlan Industrial Park, Dongsheng Town, Zhongshan City, Guangdong Province, China. The total land area occupied by the facility was about 6250 square meters. The facility established and they started their operation at the existing location in 2001.</p> <p>A total of 59 were production employees (including QC, warehouse staff and etc) and 6 were non-production employees (including office staff and etc) working in the facility. 55 were migrant employees and 10 were Local employees, all were permanent). Migrant employees were mainly from Jiangxi, Guangxi, Hunan, Guizhou.</p> <p>For the employees in injection workshop, they worked in 2 shifts. The day shift was from 8:00 to 20:00 with 2 hours' break and 2 hours' overtime. The night shift was from 20:00 to 8:00 of next day with 2 hours' break and 2 hours' overtime. For the other employees, they worked in 1 shift. The normal working hours were from 8:00 to 17:30 with 1.5 hours' break from 12:00 to 13:30. Finger print attendance system was used for time keeping and every employee should print their finger when they went in and out of the workshop. The employees' wages were calculated on hourly rate and paid before or on the 25th day of each month. The peak season in this facility was not obvious.</p>	

In view of the facility, it consists of one 2-storey building and one 3-storey building used as production workshop and warehouse, one 3-storey building used as office, two 3-storey buildings used as office, kitchen, canteen and dormitory.

For details, see below.

Building 1	Description	Remark, if any
Floor 1	Office	Size: 258 square meters. Construction year: September 2006
Floor 2	Office	Size: 258 square meters. Construction year: September 2006
Floor 3	Office	Size: 258 square meters. Construction year: September 2006
Is this a shared building?	No	Nil

Building 2	Description	Remark, if any
Floor 1	Injection, assembly and material warehouse	Size: 721 square meters. Construction year: September 2006
Floor 2	Cutting	Size: 721 square meters. Construction year: September 2006
Is this a shared building?	No	Nil

Building 3	Description	Remark, if any
Floor 1	Finished good warehouse	Size: 690 square meters. Construction year: September 2011
Floor 2	Warehouse	Size: 690 square meters. Construction year: September 2011

	Floor 3	Packing and warehouse	Size: 690 square meters. Construction year: September 2011
	Is this a shared building?	Yes	Nil
	Building 4	Description	Remark, if any
	Floor 1	Kitchen, canteen	Size: 193 square meters. Construction year: September 2006
	Floor 2	Dormitory	Size: 193 square meters. Construction year: September 2006
	Floor 3	Dormitory	Size: 193 square meters. Construction year: September 2006
	Is this a shared building?	No	Nil
	Building 5	Description	Remark, if any
	Floor 1	Dormitory	Size: 142 square meters. Construction year: September 2011
	Floor 2	Dormitory	Size: 142 square meters. Construction year: September 2011
	Floor 3	Dormitory	Size: 142 square meters. Construction year: September 2011
	Is this a shared building?	No	Nil

	<p>Remark: There was another facility named Zhongshan Jinwei Hardware Co., Ltd in the same campus with audited facility. The facility management claimed that both facilities had independent business license and management system. During document review, the business licenses and lease contract were provided for review. Through facility tour, both facility names were observed at the gate. The other facility manufactured mould. As per employee interview, no shared employee happened. Due to above mentioned, the other facility not included in this audit.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: During facility tour, no crack of building 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: The facility obtained the reports of construction completion acceptance and provided for review.</p>
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	The peak season in this facility was not obvious.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The products manufactured in by the facility are daily necessities (such as clipper, mat and insulation material).</p> <p>The main production processes include cutting, injection, shaping, assembly and packing.</p> <p>The main machine list of the facility is as following: 6 assembly machines, 7 cutting machines, 7 injection machines and 2 shaping machines, etc.</p>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None

K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. 50% of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers No off site dormitory was provided to employees by the facility.
N: Were all site-provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:30 A2: Day 1 Time out: 17:30	A3: Day 2 Time in: NA A4: Day 2 Time out: NA	A5: Day 3 Time in: NA A6: Day 3 Time out: NA
B: Number of auditor days used:	Total 1 man-day (One auditor in 1 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: 21 September 2020 to 21 October 2020 <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not:		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause:		
G: Who signed and agreed CAPR (Name and job title)	Mr. Gao Xi Geng/ Facility Manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	21 October 2019		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

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

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A. One worker representative had presented.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	N/A. No labor union in the facility.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	4	0	0	26	0	0	0	30
Worker numbers – female	6	0	0	29	0	0	0	35
Total	10	0	0	55	0	0	0	65
Number of Workers interviewed – male	1	0	0	5	0	0	0	6
Number of Workers interviewed – female	1	0	0	3	0	0	0	4
Total – interviewed sample size	2	0	0	8	0	0	0	10



A: Nationality of Management	China	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: <u>Chinese</u></p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: N/A. The peak month was not obvious in this facility.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u></p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (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)	1 group of 4 employees	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 2	D2: Female: 4
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 N, please give details: N/A	
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 reported by interviewees.	
I: What did the workers like the most about working at this site?	Comfortable working conditions, wages were always paid on time and good working environment.	
J: Any additional comment(s) regarding interviews:	Nil	
K: Attitude of workers to hours worked:	Through employees' interview, overtime is voluntary.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If Yes, please give details: N/A		

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

10 employees were randomly selected for interview including 6 male employees and 4 female employees, they were interviewed as one group of 4 employees and the balances of 6 employees were interviewed individually.

The employees were assured of confidentiality and they spoke freely of their views of the facility.

Through employees' interviews, it was noted that all employees were satisfied with the facility and no negative information was raised.

They were able to make suggestions to their managers, supervisors and team leaders through suggestion box, phone calls, phone messages, emails and wechat etc. and sometimes they had seen these suggestions used.

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

The employee representatives were satisfied with working condition and management system and no negative information was raised.

O: Attitude of managers:

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

The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private room was arranged for employees' interview.

Mr. Gao Xi Geng/ Facility Manager was responsible for implementing legal and code standards and he was in charge of the independent and internal audits. The facility managements were interested in audit process and were able to discuss the found issues in open and honest manner. In the closing meeting, the management appeared receptive to the current findings and did not raise any negative feedback.

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:

- The facility had established a policy of social compliance which was endorsed at the highest level. The policy was communicated to all appropriate parties, including its own suppliers.
- Mr. Gao Xi Geng/ Facility Manager was assigned to be responsible for implementing standards concerning human rights.
- Stakeholders were identified by the facility.
- The facility had measured impacts on stakeholders' human rights.
- The facility had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

- Policy regarding human rights issues provided for review
- Appointment letters to enhance the implement of human right issues
- Training records provided for employees regarding communications and acknowledgement
- Internal audit documents
- Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers
- Management interview and employee interview

Any other comments:

Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had a policy expressed that the facility would respect the human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The employees could raise any issue concerning human rights to the designed responsible person through suggestion box or oral. Name: Mr. Gao Xi Geng Job title: Facility Manager
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility did not disclose the reporter's information of and ensure the reporter will not be revenged.
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility provided the relevant training of privacy procedures to employees on new employee orientation.

Findings		
Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/> Description of observation: None observed Local law or ETI/Additional elements / customer specific 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

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: __2.5__ %	A2: This year __3__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	3%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __3__ %	C2: This year __3__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	6%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: According to accident management procedure, all accidents will be investigated and recorded. As per management interview, no accident happened before.	
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: 0 Number: 0	F2: This year: 0 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers

0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility obtained legal business license and permissions.
- Mr. Gao Xi Geng/ Facility Manager was responsibility for meeting the legal and ETI code requirements. He was responsible to the facility manager for ensuring the standards were met.
- Overall responsibility for meeting the standards was taken by Mr. Gao Xi Geng/ Facility Manager.
- The facility communicates this Code to all employees by regular trainings.
- There was an internal audit team for quality who in addition take on the role for internal audit of the social standards of the facility and they report to the personnel and Health & Safety manager jointly to report their findings.
- Implementation of any necessary changes is then given to the individual department heads after agreement with the facility management, this system was fully effective.

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

Details:

- Business license
- Certificate of land rights
- Facility policy and procedures
- Management appointment letter
- Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
- Internal audit documents (the social team audited the personnel and wages systems of the facility)
- 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.
- Management interview and employee interview

Any other comments:

Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: The facility had not received any fines/prosecutions for non-compliance to any regulations before.
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 established policies and procedures to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through facility tour, document review and employees' interview, no forced labor, child labor, discrimination, harassment & abuse was observed and reported.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility had provided training on policies of forced labour, child labour, discrimination, harassment and abuse to all employees during orientation training and annual refresh training.
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: Training records including annual refresh training and orientation training were provided to managers and workers. This was also confirmed via management and employee interview.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The facility had not obtained any recognised system certification.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: There was a Human Resources department in the facility.
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Gao Xi Geng/ Facility Manager was responsible for implementation of the Code.

I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility had established policy to ensure all employees' information were confidential.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility had established an effective procedure to ensure confidential information was kept confidential. All personal files were kept and controlled by HR department.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility conducted risk assessments annually to evaluate policy and procedure effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: According to the risk assessment report, the facility had a process to reduce identified risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had communicated the ETI Code to its own suppliers for implementation.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility had obtained all required land rights license and permission.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The facility had system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A

Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility had compensated the owner for the land prior to the facility being built.
R: Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable, the facility did not have plan of land acquisition.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: There was no evidence of illegal appropriation of land for facility building.

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

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

- The employees were employed on a voluntary basis and free to leave the facility or resigning.
- The facility did not withhold any employees' ID cards.
- The facility did not limit the employees' freedom or lock any exit of the facility during working time.
- The facility did not require any payment for work tools, uniforms, PPE, training, etc.
- There was no any hint that the facility used prison labour.
- The facility had a written policy of prohibiting forced, bonded and prison labor. The policy stated that the facility did not require deposit or withhold employees' ID cards; the facility did not limit the employees' freedom; the facility prohibited forced, bonded or involuntary prison labour; and employees were free to leave their employer after reasonable notice, etc.
- Security guards stated that they must not prevent employees from leaving the premises outside of working hours and where they were conducting searches that this was at the request of management, was done on a sample basis and was performed discretely and without significant delay to employees leaving at the end of shift.

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

Details:

- Policy of prohibiting forced, bonded and prison labor
- Recruitment procedure
- Employee handbook
- Personnel files and labor contracts
- Resignation records
- Contracts for security guards
- Onsite observation, management interview and employee interview

Any other comments: Nil

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

- ☐ Yes
☒ No

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

B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected: N/A
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A
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'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: N/A
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: Social compliance requirement was communicated to employees through orientation training and refresh training.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility communicated the social compliance requirement all suppliers/subcontractor and monitored their performance regularly.

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The facility has a written policy of freedom of association and right to collective bargaining. The policy states that the employees are free to form or join workers' organisation and enjoy the right to collective bargaining, and nobody will be treated differently if they are members of workers' organisation, etc.
- The facility has a written policy about suggestions and appeals, which stated that the employees were able to make suggestions/appeals to their managers, supervisors and team leaders through suggestion box, phone calls, phone messages, emails and QQ etc.
- There was a committee representative in the facility.
- There was no union at the site.
- The response records for employees' suggestions and appeals were available for review.

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

Details:

- Policy of freedom of association and right to collective bargaining
- Policy about suggestions and appeals
- Response records for employees' suggestions and appeals
- Interviews with management and employees

Any other comments:

Nil

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

- ☐ Union (name)
- ☒ Worker Committee
- ☐ Other (specify)
- ☐ None

B: Is it a legal requirement to have a union?

- ☐ Yes
- ☒ No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: suggest boxes or verbal exchange D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The employee representatives and employees could use meeting rooms freely.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Employee Representatives	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Most of the employees knew who the representative was.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 20 th April 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 out of 3 worker representatives were interviewed during this audit.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The last meeting between worker representatives and management was conducted on 26 June 2020. The topic focused Health and Safety.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA	M2: ____% workers covered by worker rep CBA

	N/A. No Collective Bargaining Agreement existed in this facility.	N/A. No Collective Bargaining Agreement existed in this facility.
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement existed in this 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

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:

General Health and Safety management

- Written Health and Safety Policy and Health and Safety Manual were available.
- Mr. Gao Xi Geng/ Facility Manager was appointed as Health & Safety Supervisor for the site.
- Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S supervisor, and each point was acted on.
- Potable water was freely available in all areas.
- Sufficient clean toilets segregated by gender were available at all time to employees.
- Ventilation, temperature and lighting were adequate for the workplaces.
- Accident reports were available.

2. Fire Safety

- In production building, there were at least 2 exits from each work area and these were clearly marked.
- Fire-fighting equipment monthly inspection records were available.
- Evacuation routes were unblocked.
- "No smoking signs" were available throughout the factory.
- Evacuation maps were posted in all areas and understood by all employees interviewed.
- Fire drills were organised and recorded every 6 months for each unit.
- The fire alarm and fire hydrant had had been installed the building.

3. Electrical safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There was competent electrician at the site and their training certificates were available for review.

4. Chemical safety

- Employees exposed to chemicals confirmed that they had been trained on chemical safety.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 2 first aiders and they had been trained at a local hospital.

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

Details:

- Health and safety policy
- Health and safety manual
- Appointment document for the Health and Safety Supervisor
- Health and safety committee minutes
- Toilet cleaning records
- Temperature recording sheets; valid testing report on air quality and noise level.
- Fire certificate or registered record
- Accident reports
- PPE issuing and receiving records
- Fire equipment monthly maintenance and inspection records
- Fire drill records
- Electrical equipment maintenance and inspection records
- The certificate of the electrician
- Trained first aiders' certificates
- Onsite observation
- Interviews with management
- Interviews with employees

Any other comments: Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>A1: Please give details: The facility had established general Health & Safety, occupational Health & Safety policies and procedures and employees would be given relevant training on their entry date.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>B1: Please give details: Employees' manual including facility's general Health & Safety, occupational Health & Safety policies and procedures and detailed requirements.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>C1: Please give details: N/A, not applicable for this facility.</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</p> <p><input type="checkbox"/> No</p>

	D1: Please give details: All visitors would be introduced with H&S and provided with personal protective equipment if necessary.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room or medical facility provided and no such legal requirement.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No doctor or nurse was available on site, but there were 2 first aiders available in facility.
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 and no such legal requirement.
H: Is secure personal storage space provided for workers in their living space and is it fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Adequate and secure personal storage space was provided for each worker living the dormitory building.
I: Are H&S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility had conducted H & S risk assessment annually.
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 provided EIA report, EIA approval, and environmental protection acceptance check approval for their construction project for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemical was used by this facility.

Non-compliance:			
1. Description of non-compliance:		Objective observed:	evidence
<input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Machines without protective devices. During facility tour, auditor found that no safety guard was installed for rolling part of one punching machine.			Onsite tour and N/C photo 1
Local law and/or ETI requirement Local law: In accordance with National Safety Technical Code for Electric Equipments-GB19517-2009 Article 2.3.3, Adequate measures shall be implemented to prevent anyone from touching or getting close to dangerous moving parts while the electric equipment is in normal operation, to prevent metal scraps and dust from flying off, to prevent liquid and gas from overflowing, and to avoid extremely high or low temperature of the equipment's outside. 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 is recommended that safety devices should be equipped to machines to comply with the law.			
2. Description of non-compliance:		Objective observed:	evidence
<input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No training records / certificate of safety production knowledge and management skill for the persons for the management of work safety in the facility. During document review, auditor found that the facility could not provide the training records / certificate of safety production knowledge and management skill of persons for the management of work safety in the facility for review.			Document review and management interview
Local law and/or ETI requirement Local law: In accordance with the Law of the PRC on Work Safety Article 24, The principal in charge and persons for the management of work safety in production and business entities have to have the knowledge about work safety and the competence for the management, which are commensurate with the production and business activities of these entities. The principal in charge and persons for the management of work safety in production and business entities that produce, trade or store hazardous articles, and mines, metal smelting, building construction, and road transport shall only be appointed to the posts after they pass the examinations in their knowledge about work safety and their competence in the management conducted by the competent departments for work safety supervision and administration. No fees shall be charged for taking such examinations. Entities that produce or store hazardous articles, and mines, metal smelting			

shall have certified safety engineer to work on the management of work safety.

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

Recommended corrective action:

It is recommended that the facility should ensure the persons for the management of work safety obtain relevant training records / certificates according to legal requirements.

3. Description of non-compliance:

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

No occupational health examination was provided to employees engaged in post with occupational disease hazards. During facility tour, auditor found that there were 8 employees (total 8 employees) were working in workshop with hazardous chemicals including benzene, methylbenzene and dimethylbenzene and dust. However, no periodic occupational health examination reports which required by law for those 8 employees for review.

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 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

Objective observed:

evidence

Document review and management interview

minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action:

It is 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

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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:

- There was a written recruitment procedure which stated that employees must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the employees; and the facility would never employ and use any child labour under the age of 16 years old.
- Checks of all employees' files showed that the youngest employee present was age 19 years. No child labour or young labour was hired before.
- The employees' 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 employee's name, household address and the date of birth.

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

Details:

- Personnel files of all employees
- Updated employees roster
- Recruitment policy/procedure
- Management interview and worker interview

Any other comments: Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	19 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 % There was no juvenile employee in the facility.

<p>E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No If Y give details: N/A. There was no juvenile employee in the facility.</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> 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>

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The local minimum wage standard was set at RMB 1720 per month equivalent to RMB 9.89(1720/21.75/8) per hour since July 1, 2018.
- Based on the provided attendance records and payrolls, the minimum wage paid by the facility was RMB 9.89(1720/21.75/8), which met local minimum wage standard.
- Benefit of paid annual leave was given to all employees and child-bearing leave was provided to appropriate female employees.
- Through reviewing the social insurance receipt, it was noted that 59 out of 65 employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance in September 2020.
- All employees were paid on or before 25th of each month after previous wage calculation period by cash and each employee was given a pay slip and signed for their wages.
- No monetary fine was used by the factory as disciplinary measure.

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

Details:

- Wage & benefit policy and controlling procedure
- Training records about wage and benefit policy and controlling procedure
- Local legal minimum wage documents
- Labour contracts for all employees
- Payrolls for the period from September 2019 to July 2020 and attendance records for the period from 22 October 2019 to 24 September 2020 (audit day) were provided for review.
- Production daily production records, material delivering records, QC record, etc.
- Social insurance and payment receipts from the local authority
- Leave records
- Resignation records
- Disciplinary records
- Employee interview and management interview.

Any other comments:
Nil

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, auditor found that only 59 out of 65 employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance in September 2020.

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 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 is recommended that the facility should arrange all employees to participate in social insurance scheme according to law requirement.

Objective evidence observed:

Social insurance, commercial insurance and payment receipts review, employees interview

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Objective evidence observed:

Not applicable

Not applicable

Good Examples observed:

Description of Good Example (GE):
None observed

Objective Evidence Observed:
Not applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	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 type="checkbox"/> No N/A. There was no Collective Bargaining Agreement in the facility
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 3 hours per day and 36 hours per month	B1: Daily overtime hours: 0 to 2 hours on working days. Monthly overtime hours: 60 to 86 hours per month in July 2020 (current month) 60 to 90 hours per month in May 2020 (random month), 32 to 84 hours per month in January 2020 (random month)	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. There was no Collective Bargaining Agreement in the facility
C: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB 1720 per month equivalent to RMB 9.89 per hour (1720/21.75/8) since 1 st July, 2018.	C1: Actual minimum wage was paid at RMB 1720 per month equivalent to RMB 9.89 per hour (1720/21.75/8).	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. There was no Collective Bargaining Agreement in the facility.

<p>D: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</p>	<p>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</p>	<p>D1: 150% and 200% of the normal wages for overtime working on normal workdays and rest days respectively (there was no overtime on Statutory Holidays).</p>	<p>D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A. There was no Collective Bargaining Agreement in the facility.</p>
--	---	--	--

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	
If No , why not?	N/A	
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from July 2020 (current month) 10 samples from May 2020 (random month) 10 samples from March 2020 (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
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details: N/A
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. RMB 1720 per month equivalent to RMB 9.89 (1720/21.75/8) per hour since July 1, 2018.

F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: _100____% of workforce earning minimum wage F3: ____% of workforce earning above minimum wage		
G: Bonus scheme found: Please specify details:	Bonus Scheme found: performance bonus and Full attendance bonus Performance bonus was RMB 100 to RMB 1500/month; Full attendance bonus were RMB 200/month		
H: What deductions are required by law e.g. social insurance? Please state all types:	Personal income tax and Social insurance: basic endowment insurance, unemployment insurance, maternity insurance and basic medical insurance.		
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Social insurance 2. Personal income tax Please describe: The relevant fee was deducted in wage according to law.
		I2: Please list all deductions that have not been made.	1. N/A Please describe: N/A
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Details: All attendance records were reflected working time.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions		

	<input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Details: Periodic reviews were conducted to ensure employees earn above basic required wage
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Details: Through facility rules review, payroll records review and employees' interview, it was confirmed that equal rates were being paid for equal work.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other explain: N/A

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:

- Working time policy and controlling procedure were established and implemented in the facility.
- Overtime was voluntary.
- Finger printing attendance system was used for time keeping
- Attendance hours were completed automatically in electronic payroll system which calculates wages.
- According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week.
- According to provided attendance records, the maximum overtime was 90 hours per month and records show that employees have at least 1 day off per week.
- No more than 2 hours overtime per day.
- In sampled months, the max weekly working hours were 60 hours per week.

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

Details:

- Employee interview
- Management interview
- Facility policy on working hours
- Finger printing attendance record system
- Employees contracts
- Attendance records for the period from 22 October 2019 to 24 September 2020 (audit day) were provided for review.
- Production daily production records, material delivering records, QC record etc. were also reviewed

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Monthly overtime hours exceeded the legal requirement of 36 hours. Through document review, auditor found that the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 60 to 86 hours in July 2020(current month), 10 out of 10 randomly selected employees ranged from 60 to 90 hours in May 2020(random month) and the monthly overtime hours of 9 out of 10 randomly selected employees ranged from 40 to 84 hours in March 2020(random month).

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

Recommended corrective action:

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.

Objective evidence observed:

Attendance record review and employees interview

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Local law or ETI requirement: Not applicable Comments: Not applicable	
--	--

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

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

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	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: NA
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: NA	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	
	All sampled employees' maximum worked consecutively were 6 days during the sampled months.	
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, 20 hours/ week, 86 hours/month in July 2020 (Current month) 2 hours/day, 20 hours/ week, 90 hours/month in May 2020(random month) 2 hours/day, 20 hours/week, 84 hours/month in March 2020(random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	_70_%	

L: Is overtime voluntary?	<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:</p> <p>Through employees' interviews, all selected employees stated that they worked overtime on their willing. And they could refuse to work overtime if they did not want to. Through handbook review, it was noted that the facility did not use monetary penalties as disciplinary means.</p>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<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% of standard wages are paid for overtime on normal days</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: The facility paid 150% of the normal wages for the extension of working hours on normal days, paid 200% of the normal wages for the extended hours on rest days, and there was no overtime work on statutory holidays, wage was paid monthly.</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.	<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 Not applicable. The facility paid the wages to the employees according to the law requirement.	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	Not applicable. The facility paid the wages to the employees according to the law requirement.	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A. The maximum weekly working hours were 60 hours in sampled months.	

complete the boxes where relevant.	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
	N/A. The weekly working hours did not exceed 60.
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: N/A.
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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:

- The factory had anti-discrimination policy and procedure;
- The regular trainings on anti-discrimination were provided to the employees;
- As informed by interviewed employees, most employees spoke highly of the facility owner.
- No employee was required to do the examination of the hepatitis B virus and HIV.
- No female employee was required to do the examination of pregnant test.
- Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
- There was no evidence of sexual harassment.
- 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 or workers' organisation membership or political affiliation was found in the factory.
- There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

- The anti-discrimination policy and procedure;
- The regular training records on anti-discrimination;
- Hiring and termination procedure, leave application records and employee handbook.
- Payrolls
- Attendance records
- Termination records
- Management interview and employee interview

Any other comments: Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)

A1:Male: __60__ %
A2:Female __40__ %

B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:

#: Not applicable
There were no jobs that specific qualifications are needed in the facility.

C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: NA
--	---

Professional Development	
A: What type of training and development are available for workers?	On-going training is available to enable workers to progress. Equal and clear fair selection criteria is in place for all promotions and benefits.

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
--	---

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

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:

- The facility signed labor contracts with all employees and the terms and conditions stated in the contracts complied with local laws. All employees received copies of the contracts of employment.
- All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditor.
- No home-working existed in the facility.

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

Details:

- The hiring and termination procedure
- Personal files including a copy of employee's contract
- Payroll records were provided for review.
- Management interview and employee interview

Any other comments: Nil

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

Responsible Recruitment

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

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

Migrant Workers: <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 and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	All types of work in the facility include migrant workers.	
B: Migrant worker recruitment	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations No such deduction applicable
D: Are any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes number and example of roles: Some management staffs were migrant employees.	

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable) (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.)	
A: Number of agencies used (average):	0 A1: Names if available: N/A, no agency was used.
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	D1: Please give details: N/A
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: N/A

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

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:

- Through facility tour, it was noted that all production processes were presented in the facility.
- No sub-contracting was found during this audit.

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

- Factory tour
- Materials In/Out Records
- Employees' interview
- Management interview

Details: Details: No process was subcontracted by this facility.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ 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/Additional elements 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 of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
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	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: No subcontractor was noted.
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes, summarise details: The facility had established a written policy to require its subcontractors making sure all relevant laws or regulations shall be complied.
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes, summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		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

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 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility provided access to a confidential grievance mechanism for all employees.
B: If Yes , are workers aware of these channels and have access? Please give details.	All employees were trained on the facility confidential grievance mechanism.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box and employee representative
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: The grievance mechanism included a provision for non-retaliation and it allowed employees to report issues anonymously.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details :N/A
F: Does the site encourage its business partners (e.g., suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details :N/A
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain: N/A

H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details: N/A
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details: N/A

Current Systems and Evidence Examined

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

Current systems:

- According to the 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
- As per management interview, document review and employee's interview, there was a policy on No Harsh Treatment.
- There is 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. The grievance mechanisms were legitimate, accessible and equitable.

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

Details:

- The anti-harsh or anti-inhumane treatment policy and disciplinary procedure
- Training records regarding anti-harsh or inhumane treatment policy and disciplinary procedure
- Internal grievance procedure
- Facility tour
- Management interview and employee interview

Any other comments: Nil

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

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:

- Per document review, facility management representation and employee interview, 55 were migrant employees and 10 were Local employees, all were permanent). Migrant employees were mainly from Jiangxi, Guangxi, Hunan, Guizhou.
- All employees had the proper legal rights to work in this region. The youngest age was 19 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
- 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:

- Hiring procedure
- Personnel files
- Employee handbook
- Facility tour
- Management interview and employee interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

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:	
Description of observation: None observed Local law or ETI/Additional Elements 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

10. Other issue areas 10B2: Environment 2–Pillar

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

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

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 had written environmental policy.
- The facility conducted regular environment protection trainings for all employees.
- Mr. Gao Xi Geng/ Facility Manager was appointed responsibility for environmental issues.

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

Details:

- The environmental policy
- Training records on environmental protection
- Facility tour
- Management interview and employee interviews

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

No environmental protection acceptance checks report for completed construction project. During facility tour, auditor found that products in the facility are daily necessities (such as clipper, mat and insulation material), and the main processes are cutting, injection, shaping, assembly and packing. In addition, there was a kitchen and canteen on 1/F of one 3-storey building. The waste gas cause influence on the environment. However, during document review, the facility could not provide the environmental protection acceptance check approval for their construction project for review.

Local law and/or ETI requirement

Local law: In accordance with the Measures for the Administrative Regulation on Environmental Protection of Construction Projects Article 17, After the completion of the construction project which requires compiling Environmental Impact Report or Environmental Impact Report Form, the construction entity shall carry out inspection and acceptance for the ancillary environmental

Objective evidence observed:

Document review and management interview

protection facilities and compile the acceptance report in according with the standards and procedures provided by the administrative department of environmental protection of the State Council. During the process of inspection and acceptance of the environmental protection facilities, the construction entity shall, strictly according to facts, inspect, monitor and record the status of the construction and adjustment of environmental protection facilities. Falsification is prohibited. The construction entity shall make the acceptance check report available to the public according to law, except it is required to keep confidential according to the provisions of the State.

ETI 10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

Recommended corrective action:

It is recommended that the facility should apply the environmental protection acceptance check for their construction project as per legal requirement.

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

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

Other findings

Other Findings Outside the Scope of the Code
None observed


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>
None observed

Photo Form

Best Practice Photos:

None observed	None observed	None observed
N/A	N/A	N/A

Non-compliance Photos:

	None observed	None observed
NC Photo 1: No safety guard	N/A	N/A

General Site Tour Photos:





		
Facility name	Facility gate	Production building

		
---	--	---

Material warehouse	Injection workshop	Cutting workshop
		
Sewing workshop	Assembly and packing workshop	Finished good storage area

		
Safety exit sign / Emergency light and Fire alarm	Switch box	Evacuation plan

		
Fire hydrant	Fire extinguishers	Drinkable water
		

First aid kit	Evacuation sign at workshop	Attendance recorder
		
Suggestion box	Dormitory building	Bedroom
		None observed
Kitchen	Canteen	NA



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

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

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

[Click here for Auditors:](#)

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