



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 405670713	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 405714090
Business name (Company name):	Dongguan Xiang Yi Qi Wan Industrial Co., Ltd		
Site name:	东莞市享益启玩实业有限公司		
Site address: <i>(Please include full address)</i>	3rd Floor, Building 2, Xinxing Industrial Park, Qiantou Community, Niushan Directorial Area, Dongcheng District, Dongguan, Guangdong 东莞市东城街道牛山管理区埗头社区新兴工业区 2 栋 3 楼	Country:	China
Site contact and job title:	Mr. Wei Longgao/Vice Manager		
Site phone:	86-134-1251-0895	Site e-mail:	Factory@dgwincent.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar
			<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	November 4, 2022		

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

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Jeremy He Lead Assessor APSCA number: CSCA 21701297
Lead auditor APSCA status: Certified Social Compliance Auditor
Team auditor: Peter Yu APSCA number: ASCA 32200147
Interviewers: Peter Yu APSCA number: ASCA 32200147

Report writer: Jeremy He

Report reviewer: Annie Dhivya Reviewer

Date of declaration: November 4, 2022

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NCs: Workers did not use PPE
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: <ul style="list-style-type: none"> Insufficient participation of social insurance
6. Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	1	0	0	NCs: Monthly overtime hours exceeded 36 hours
7. Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil

8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not Applicable
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil

General observations and summary of the site:

Overall, there were 3 non-compliances found during this audit. These were related to Safety and Hygienic Conditions (1 NC), Living Wages and Benefits (1 NC) and Working Hours (1 NC). Issues such as insufficient social insurance etc. were noted.

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

Site Details

Site Details	
A: Company Name:	Dongguan Xiang Yi Qi Wan Industrial Co., Ltd
B: Site name:	东莞市亨益启玩实业有限公司
C: GPS location: (If available)	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>3rd Floor, Building 2, Xinxing Industrial Park, Qiantou Community, Niushan Directorial Area, Dongcheng District, Dongguan, Guangdong 东莞市东城街道牛山管理区鳌头社区新兴工业区 2 栋 3 楼</p> </div> <div style="width: 35%;"> <p>Latitude: N22'56'60'' Longitude: E113'46'28''</p> </div> </div>
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: 91441900MA4UQRL35X Valid from June 17,2016 to long term
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of Educational toys
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Dongguan Xiang Yi Qi Wan Industrial Co., Ltd. was established on June 17,2016 and 3rd Floor, Building 2, Xinxing Industrial Park, Qiantou Community, Niushan Directorial Area, Dongcheng District, Dongguan City, Guangdong Province, China.</p> <p>The factory specialized in the manufacturing of educational toy. The main production processes included: Cutting, Polishing, UV Printing, Paint-spraying, Inspection & Packing etc. The factory occupied 3F of 1 block of 4-storey production building and 1 block of 4-storey production building. No dormitory and canteen & kitchen provided for employees used. A total of 92 employees were currently working at the factory, including 67 production workers and 25 management staff & office staff. There were 33 male employees (36%) and 59 female employees (64%). The ethnic background of all management and production workers was mainland Chinese and 88% workers were from other China provinces. Such as Hunan, Sichuan province etc. All workers were recruited directly by the factory. There was no young worker in the factory.</p> <p>According to management and provided records, 1 shift for all sections: 8:00 to 17:30 with a break from 12:00 to 13:30. Wages for all production workers were calculated on hourly rate basis. Regular pay date was at the end of each following month for last month by cash. According to management, no peak</p>

month in the factory. There was no organized labour union established in this factory.

Production Building no.1	Description	Remark, if any
Floor 1	Dongguan Jinqiu Plastic Molding Co, Ltd.	Nil
Floor 2	Landpion Home Co. Ltd.	Nil
Floor 3	Cutting & UV printing sections and office used by the audit factory.	Nil
Floor 4	Landpion Home Co. Ltd.	Nil
Is this a shared building?	Yes	Only 3F of this production building was used by the audit factory. No exchanged worker or business was noted during the assessment.

Production Building no.2	Description	Remark, if any
Floor 1	Raw material warehouse; Cutting section	Nil
Floor 2	UV printing & polishing section	Nil
Floor 3	Inspection and packing section	Nil
Floor 4	Finished goods warehouse; Paint spraying section	Nil
Is this a shared building?	No	Nil

For below, please add any extra rows if appropriate.

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

F2: Please give details: N/A

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

	F4: Please give details: N/A
G: Site function:	<input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	Not obvious
I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i>	The factory specialized in the manufacturing of educational toys. The main production processes included: Cutting, Polishing, UV Printing, Paint-spraying, Inspection & Packing. The main machine list of cutting machines, UV printing machines.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % 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
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details: No dormitory building provided

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:30am A2: Day 1 Time out: 4:00pm	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1.5 (1 auditor x 1 day & 1 auditor x 0.5 day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 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. Wei Longgao/Vice 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:	SMETA 2 Pillar Initial		
J: Previous audit type:	November 18, 2021		
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>	Nil		
E: If Union Representatives were not present please explain reasons why; <i>(only complete if no union reps present)</i>	There was no Labour Union in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	5	0	0	23	0	0	0	28
Worker numbers – female	3	0	0	36	0	0	0	39
Total	8	0	0	59	0	0	0	67
Number of Workers interviewed – male	0	0	0	1	0	0	0	1
Number of Workers interviewed – female	0	0	0	9	0	0	0	9
Total – interviewed sample size	0	0	0	10	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. <i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: _ China ____ B2: Nationality 2: ___0___ B3: Nationality 3: ___0___</p>	<p>Was the list completed during peak season? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 ___100%___ C1: approx % total workforce: Nationality 2 ___0___ C2: approx % total workforce: Nationality 3 ___0___</p>	
D: Worker remuneration (management information)	<p>D: ___0___% workers on piece rate D1: ___100___% hourly paid workers D2: ___0___% salaried workers</p> <p>Payment cycle: D3: ___0___% daily paid D4: ___0___% weekly paid D5: ___100___% monthly paid D6: ___0___% other D7: If other, please give details</p>	

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 workers
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 1 D2: Female: 5
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No, complaint was received from workers on the day of audit.
I: What did the workers like the most about working at this site?	Monthly wage paid on time and workers could easily leave even during working day.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	The workers wished the factory could afford more overtime hours.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers: <i>(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk</i>	

10 employees (9 females 1 male) were selected from all sections including Cutting, Polishing, UV Printing, Paint-spraying, Inspection & Packing. for confidential interviews for confidential interviews. 6 workers were interviewed individually in the factory workshops; 4 workers were interviewed in meeting room in 1 group of 4 workers so as to make them feel more comfortable. In generally they seemed uncomfortable talking with Elevate staff and provided very consistent answers to the questions. All of them claimed that they had never worked on Sundays before. Their overtime wages were paid at 150%, 200% & 300% as per local law requirements, and they were all very happy to work in the factory according to their saying.

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

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

One worker's representative was interviewed. He was favourable with the management and the working conditions, and she stated that the worker's committee representatives could give suggestions on all parts of the site's practices, and the facility management would investigate their suggestions or concerns and respond to them in a timely manner.

O: Attitude of managers:

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

Factory management were cooperative with ELEVATE staff and provided full access to the whole facility. Management provided required documents and records in time, accompanied assessors with factory tour and helped select workers for interviews. Management staff attended the closing meeting, then confirmed all the findings and signed on the CAPR.

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 factory has established written policy and procedures to meet the human rights and labour standards required by local law and customers. Mr. Wei Longgao/Vice Manager was responsible for compliance with the human rights to all appropriate parties, including its own suppliers. Through trainings, handbooks, and postings at the facility.

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

Details:

- The written policy including human rights.
- Appointment book of person responsible for implementing standards concerning Human rights
- Factory rules
- Social compliance management handbook
- Training records of human rights
- Employee interview, employees could raise the human rights issues by suggestion box confidentially or call the hotline to the Supervisor who was responsible for implementing standards concerning Human rights directly.

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details:</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Wei Longgao Job title: Vice Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory had established a transparent system for confidentially reporting.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Per document review and employee interview, factory had established demonstrate effective data privacy procedures for workers' information. The private information of employees would never be public for other irrelevant parties.</p>

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

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

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: ___1___ %	A2: This year ___1___ %
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]	1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___1.5___ %	C2: This year ___1.5___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	1.5%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Written records were available for review, but no accident occurred.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___% workers	I2: 12 months ___0___% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___0___% workers	J2: 12 months ___0___% workers
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0B: Management system and Code Implementation
(Click here to return to summary of findings)

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

Current Systems and Evidence Examined

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

Current systems:
 The factory has established written policy and procedures to meet the Code and labour standards required by local law and customers. Mr. Wei Longgao/Vice Manager was responsible for compliance with the Code implementation and the Code was communicated to all employees through trainings, handbooks and postings at the facility.

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

Details:

- Employee Handbook
- Business license
- Factory Manual contains details of Code and labour standards required by local law and customers.
- Training records of social compliance
- Social standard and procedure

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: No any fines/prosecutions for non-compliance to any regulations for 12 months.
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: Factory established a policies and procedures that 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.	Factory had established written policy to prohibit forced labour, child labour, discrimination, harassment & abuse. Furthermore, factory established investigation and grievance procedures to solve if any above issue occurred.
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: Management and workers received training on the policy and procedure.
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: Management and workers received training on the policy and procedure of prohibit forced labour, child labour, discrimination, harassment & abuse once per year, with training records kept in place.
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: N/A
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: The Human Resource manager is Mr. Wei Longgao/Vice Manager
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. Wei Longgao/Vice Manager was responsible for the 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 factory established a policy to ensure all workers information 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 factory established an effective procedure to ensure confidential information to keep confidential.

<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory established an effective procedure to ensure confidential information to keep confidential.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory established the process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had the policy / code posted on the wall that require labour standards of its own suppliers.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory rent the production building from landlord.</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: During management interview, the facility was aware of local and national and international laws and requirements with regards to Land Rights.</p>
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The facility had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: Nil</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A. No such situation happened in facility.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details: N/A. No such situation happened in facility.</p>

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

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

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

1: Freely Chosen Employment

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

ETI

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current systems:

The factory has established hiring policy and hiring procedures in place. General Manager was familiar with local law regarding prison labour, deposit and wages deductions etc. Workers are not required to stay at the factory if they do not want to, and overtime is voluntary as well. No deposits or any original ID are required to be detained during employment. Resignation is free and wages are paid to resigned workers on time after reasonable notice (usually 30 days in advance).

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

Details:

- The facility's policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice.
- Labour contracts with notice periods
- Training of forced, bonded or involuntary prison labour for all employees at the time employee, and re-fresh training was conducted once per year for all employees.
- As per workers interview, it was noted that they are free to leave their working stations once their shifts end; all overtime workings were voluntary; and they are not required to pay any 'deposits' or leave their ID cards.

Any other comments:

Nil

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

D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
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:
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:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please describe finding:

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

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

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

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:

Currently, there's no labor union but an EHS committee existing in the factory. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. The workers could raise any issue or express their concerns through suggestion box or hot line. There was a relevant written policy / procedure documented in place. The meeting between with factory management and worker committee was conducted once per quarter.

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

Details:

- Written freedom of association procedure was established in the factory, which recognized and respected the right of employees to exercise their lawful right of free association.
- Employee handbook stated that employees are free to form worker committee. Nobody will be treated differently whether they are members of worker committee.
- The record from the suggestion box and what relevant actions have been taken was reviewed. Facility management commented that they collect the suggestions from the suggestion box and review them in the management meeting once a month. If agreed, they will take the relevant actions to improve.

Any other comments:

Nil

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee: EHS Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

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: 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 supplier had provided meeting room for the committee to conduct the related business.	
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?	Yes	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: March 1, 2022
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many:	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	There was a meeting held by labour representative per three months. Worker's representative participated in the grievance solution communication after meeting, and factory will feedback in one week. The last meeting was hold on September 1, 2022.	
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: _0___% workers covered by Union CBA	M2: _0___% workers covered by worker rep CBA

<p>M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A</p>

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The facility generally provides an adequate work environment and maintains a comfortable temperature throughout. The electrical system was in a good condition. All switches in the electrical control panels have been labelled. The factory posted the evacuation plans at work floors, which indicates escape routes. Exit signs were installed. The facility has provided enough fire extinguishers in all working sections. A functional fire alarm system can be found in the facility. The facility's policy and procedures were communicated through the notice board in the local language. Drinking water was provided and installed in workshops. However, one health and safety finding were noted as below.

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

Details:

- Fire-fighting equipment inspection and maintenance records
- PPE training
- Workplace occupational hazards factor testing report
- License for special operation
- Registration of special equipment
- Inspection certificate of special equipment
- Certificate of special equipment operator
- Fire drill records
- First aider certificates
- Drinking water testing report
- Interviews with EHS manager

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had established the general Health & Safety and occupational Health & Safety policies and procedures, and they posted on the workshops for workers' review.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The workers' manual had included the relate policies.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Nil</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility would communicate the EHS policy with visitors before they conducted facility tour and the proper PPEs would provide for visitor before they entered relevant production area where PPE was required.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: Nil</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: First aiders were available.</p>
<p>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?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport available</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A H1: Please give details:</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility had made the H & S risk assessment to evaluating the arrangements for workers doing overtime.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: As per document review, the factory had obtained the completion acceptance report for their environmental construction project and the archival records.</p>

<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>K1: Please give details: As per document review, the facility had established hazardous substance management procedure and chemical management procedure to control the risks of chemicals and hazardous substances</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>The factory had provided the personal protective equipment such as earplugs and facemasks to its worker. However, 2 workers in the cutting section on 1F and 3 workers in polishing section on 2F of production building #2 did not earplugs.</p> <p>Local law and/or ETI requirement In accordance with Law of PRC on Work Safety article 45. Production and business entities must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.</p> <p>ETI requirement: ETI base code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that factory shall provide regular PPE training to workers, conduct regular PPE safety inspection at workplace, and develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Factory tour</p> <p>Please refer to photo #19</p>

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

Good Examples observed:

Description of Good Example (GE): None	Objective Evidence Observed: N/A
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4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in the personnel files. All employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth. Hiring procedure and related protection policy of young workers were also kept in place. No child labour and juvenile workers was working at the factory currently.

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

Details:

- Personal file
- Roster of employees
- Management and employee interview

Any other comments:

Nil

A: Legal age of employment:	16
B: Age of youngest worker found:	18
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details

	N/A
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Non-compliance:

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

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

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

Written wage & benefits policy (involved relevant local law regarding MW, OT wage and social insurance policy, paid annual leave, sick leave etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labour contracts, factory rules (covered disciplinary measures policy / deductions from wages) posting and training etc.

During this assessment, the factory provided 12 months' payrolls (from October 2021 to September 2022) for assessor's review. As per factory management and provided payrolls, all workers' wages were calculated on hourly rate basis. Wages were paid at the end of each month by cash. Based on provided payrolls and time attendance records, the workers earned a total take-home monthly wage between RMB 5355 to RMB 5697, with the average of being RMB 5492. The hourly rate for workers were RMB 9.89 to RMB 10.92 with average RMB 10.2 per hour, all workers could earn equal to the local minimum wage standard, which was RMB 1720 per month/RMB 9.89 per hour before December 2021 and RMB 1900 per month / RMB 10.92 per hour since December 1, 2021. Overtime wage was paid at 150%, 200%, 300% of normal rate for overtime hours on normal days, weekends and holidays respectively, and the percentage of workers being paid below the minimum wage was nil. For the insurance, a total of 90 employees were eligible to receive five types of social insurances in October 2022 according to the law. However, 41 employees were enrolled in pension insurance; unemployment insurance; occupational injury insurance; child-bearing insurance and medical insurance. Remark: factory have provided commercial insurance for all employees which valid until May 23, 2023. A wage slip detailing: basic salary, working hours, overtime hours, overtime wage, allowance, deduction and total wage paid was provided to each worker.

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

Details:

- Employee handbook
- Wages and benefits policy
- Annual leave records
- Resigned workers payroll record
- Past 12 months payroll and 14 months' time records
- Social insurance and payment receipts

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>It was noted that a total of 90 employees were eligible to receive five types of social insurances in October 2022 according to the law. However, 41 employees were enrolled in pension insurance; unemployment insurance; occupational injury insurance; child-bearing insurance and medical insurance. Remark: factory have provided commercial insurance for all employees which valid until May 23, 2023.</p> <p>Local law and/or ETI requirement: Local law: In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.</p> <p>ETI requirement: ETI base code 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> Document review, Management and Worker Interview</p>

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

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

	N/A
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Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: 2 hours per day and 88 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB 1720 per month/RMB 9.89 per hour before December 2021 and RMB 1900 per month / RMB 10.92 per hour since December 1, 2021	C1: RMB 9.89-10.92	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150%, 200% and 300% of employee normal rate for overtime on normal workdays, rest days and official public holidays respectively	D1: 150%, 200% and 300% of employee normal rate for overtime on normal workdays, rest days and official public holidays respectively	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: <i>(Click here to return to Key Information)</i>	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked	10 samples from September 2022 (most current month) 10 samples from July 2022 (random month)

<p>(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)</p>	<p>10 samples from October 2021 (random month)</p>		
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>C1: If Yes, please give details:</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	<p>D1: If No, please give details:</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above</p>	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 9.89-10.92</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: <u> 0 </u>% of workforce earning under minimum wage F2: <u> 100 </u>% of workforce earning minimum wage F3: <u> 0 </u>% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i></p> <p>Full time bonus: RMB 100 per month. Position bonus: RMB 2050 to 2200 per month</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social Insurance</p>		
<p>I: Have these deductions been made?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>I1: Please list all deductions that have been made.</p>	<p>1. Social Insurance</p> <p>It was noted that a total of 90 employees were eligible to receive five types of social insurances in October 2022 according to the law. However, 41 employees were enrolled in pension insurance; unemployment insurance; occupational injury insurance; child-bearing insurance and medical insurance. Remark: factory have provided commercial insurance for all employees which valid until May 23, 2023.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. N/A 2.</p> <p>Please describe:</p>

J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details:	
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work.	
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:	

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Written working hours policy (involved relevant local law regarding normal, OT hours and OT wage rate etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labour contracts, factory rules (covered voluntary overtime policy, special terms for young workers / pregnant women / nursing mothers etc.) posting and training etc. The factory had a system for monitoring and managing working hours.

During this assessment, the factory provided 14 months attendance records (from October 2021 to November 2022) for assessor's review. Based on provided time attendance records, workers' working hours was regular 8 to 10 hours a day, 58 hours a week at most, with the average being 58 hours per week. The most continuous working days without rest were 6 days, while the average continuous working days without rest were 6 days. No OT extension waiver approval was obtained by the factory.

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

Details:

- Employee handbook
- Wages and benefits policy
- Annual leave records
- Resigned workers time records
- Past 12 months payroll and 14 months of time records
- Production records

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours in September 2022 with the highest of 66 hours; 10 out of 10 exceeded 36 hours in July 2022 with the highest of 82 hours; 10 out of 10 exceeded 36 hours in October 2021 with the highest of 88 hours. No worker had worker overtime exceed 3 hours per day.

Local law and/or ETI requirement:

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

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

Recommended corrective action:

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

Objective evidence observed:

Documents review and management & workers interview

Observation:

Description of observation:

None observed

Local law or ETI requirement:

N/A

Objective evidence observed:

N/A

Comments: N/A	
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Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: N/A

Working hours' analysis
Please include time e.g. hour/week/month <i>(Go back to Key information)</i>

Systems & Processes

A. What timekeeping systems are used: time card etc.	Describe: <i>Fingerprint</i>				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
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:			
F: Are workers provided with at least 1 day off in	F2: Please select all applicable:	F3: Is this allowed by local law?			
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
	All workers were 6 days	
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:
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:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 88 hours per month/ 18 hours per week/ 2 hours per day (October 2021) Lowest OT hours: 66 hours per month/ 18 hours per week/ 2 hours per day (September 2022)	
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:	__100__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: handbook and worker interviews
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	M1: Please give details of normal day overtime premium as a % of standard wages: 150% of normal rate for overtime hours on normal working days; 200% of normal rate for

	requirement to OT premium	<i>overtime hours on Saturday and Sunday; 300% of normal rate for public holidays. 100% of workers were paid monthly.</i>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>N1: If yes, please describe % of workers & frequency: 150% of normal rate for overtime hours on normal working days; 200% of normal rate for overtime hours on Saturday and Sunday; 300% of normal rate for public holidays. 100% of workers were paid monthly.</i>
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 (<i>May be standard wages above minimum legal wage, with no/low overtime premium</i>) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
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 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 type="checkbox"/> No N/A	

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 has written policy on anti-discrimination as well as policy on compensation, promotion and training etc.

New staff hiring policy and advertise indicates that no pregnancy or health check (HIV testing, HB check) was required.

Gender and ethnic balance between workers and middle management is proper. There's grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination.

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

Details:

- Factory policy, hiring procedure
- Employee handbook,
- Payrolls, training records
- Contracts, termination records

Any other comments:

Nil

<p>A: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i></p>	<p>A1: Male: <u>20</u> % A2: Female <u>80</u> %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>90% female workers were skilled roles.</p>
<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: N/A</p>

Professional Development	
A: What type of training and development are available for workers?	<p>On-going training is available to enable workers to progress.</p> <p>An equal and clear fair selection criterion is in place for all promotions and benefits.</p>

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please give details:</p>
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Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p>Local law and/or ETI requirement:</p> <p>N/A</p> <p>Recommended corrective action:</p> <p>N/A</p>	<p>Objective evidence observed:</p> <p><i>(where relevant please add photo numbers)</i></p> <p>N/A</p>

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

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

Work performed was on the basis of recognized employment relationship established through national law and normal practice. The factory never used any home-workers or agency workers. No apprentice or temporary worker was working in the factory. The factory signs labour contracts with employees within 30 days since employment, and all workers can have their own a copy of the contract and pay slip. HR staff was aware of local law concerning above worker pattern.

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

Details:

- Factory policy, employee handbook
- Labour contracts
- Hiring and termination records
- Personal files
- Management and workers interview

Any other comments: Nil

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

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

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

Responsible Recruitment

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

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

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	production process undertaken by migrant workers.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If yes, number and example of roles: NA

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A no agency worker was used in the factory
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 N/A

	D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No 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:
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:

The factory has customer policy on sub-contracting, homeworking and external processing, as well as written policy and procedure in place to control external working.

The factory posted customers' Code of Conduct in the facility. Through site tour, documents review and management & workers interview, no sub-contractor was used.

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

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

No sub-contracted

Details:

- Factory policy,
- Quality records and management & workers interview
- Site tour (check production process)

Non-compliance:

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

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

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

	D1: If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable
 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: Hotline and suggestion box had posted on the workshops.
B: If Yes , are workers aware of these channels and have access? Please give details.	The factory management had made the training to workers, posted the hotline and suggestion box in the workshops.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Hotline and suggestion box
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details:
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain
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

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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<p>Current Systems and Evidence Examined</p> <p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <p>The factory has established an anti-harsh or inhumane treatment policy. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited in this facility.</p> <p>The disciplinary procedure only includes oral warning, written warning and education, which was confirmed through workers interview</p> <p>The factory has established grievance mechanism with non-retaliation policy and allow workers to report issues anonymously. Related training records and grievance records / documented evidence were maintained in place.</p> <p>Security practices were humane and comply with customers' expectation.</p> <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> • Policy of prevention of harassment and abuse. • Internal grievance procedure documentation. • Training records • Employee interview <p>Any other comments: Nil</p>

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

<p>Observation:</p>	
<p>Description of observation:</p> <p>None observed</p>	<p>Objective evidence observed:</p>

<p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>N/A</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: N/A</p>

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

(Click here to return to NC-table)

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

The factory had a policy on foreign migrant worker or agency worker in place

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

Details:

- Hiring procedure
- Personnel files
- Employee handbook
- 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:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

(where relevant please add photo numbers)
 N/A

Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed: N/A</p>
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<p>Good examples observed:</p>	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: N/A</p>

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations.
2. All legally required certificates including the Registration Form / Evaluation Report of Environmental Impacts of the Construction, Approval of Environmental Impact Assessment document and the Environmental Protection Check and Acceptance etc. were available and valid during this audit.
3. The factory had obtained the Pollutant Discharging Permit from the local Environmental Protection Bureau.
4. The annual monitoring report for waste air and water showed that the pollutant discharging was compliant with the environmental laws and regulations. Based on observation on site, all wastes were properly classified and collected by the factory. No negative evidence was identified during this audit.
5. Based on workers interview, all interviewees had been trained on environmental protection issues.

6. The factory had established environment policy including environment emergency action procedures, relevant procedure and carried out the Environment Management System as well.
7. Hazardous wastes were collected and segregated effectively. All hazardous wastes were transferred and handled by a qualified third party based on relevant contract which was provided for review during this audit.
8. Through checking the website of IPE (Institute of Public and Environmental Affairs) - <http://www.ipe.org.cn>, there was no violation information found about the factory.

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

Details:

1. All legally required environmental documents were provided for review.
2. Environmental policy and training records
3. Energy bills, Water bill
4. Assembly leftovers and wastes transfer documentation
5. Renewal energy specification
6. Workers and management interview
7. Factory tour

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement:

N/A

Recommended corrective action:

N/A

1.Objective evidence observed:

(where relevant please add photo numbers)
N/A

Observation:

Description of observation:

None observed

Local law or ETI/Additional elements requirements:

N/A

Comments:

N/A

Objective evidence observed:

N/A

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

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Wei Longgao/Vice Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: N/A
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: It addressed the key impacts from their operations and their commitment to improvement.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: There was no other sustainability system, EHS committee was available on site.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The factory had obtained the Pollutant Discharging Permit from the local Environmental Protection Bureau.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The factory provided the documents for review which recorded the hazardous chemicals used in the manufacturing processes.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had set up the system to manage client's requirements and legislation in the destination countries regarding environmental and chemical issues.

<p>K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had set the reduction targets in place for environmental aspects.</p>
<p>L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:</p>
<p>M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Each month the factory's financial department would carry out accurate measuring and monitoring consumption of key utilities of water, energy and natural resources that followed recognised protocols or standards.</p>
<p>N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: N/A</p>

Usage/Discharge analysis

Criteria	Previous year: Please state period: _January 2021 to December 2021_	Current Year: Please state period: _January 2022 to October 2022_
<p>Electricity Usage: <i>Kw/hrs</i></p>	753980	565500
<p>Renewable Energy Usage: <i>Kw/hrs</i></p>	0	0
<p>Gas Usage: <i>Kw/hrs</i></p>	0	0
<p>Has site completed any carbon Footprint Analysis?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>If Yes, please state result</p>	N/A	N/A
<p>Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i></p>	<ul style="list-style-type: none"> Local water authority 	<ul style="list-style-type: none"> Local water authority
<p>Water Volume Used: <i>(m³)</i></p>	4290	3205
<p>Water Discharged: <i>Please list all receiving waters/recipients.</i></p>	<ul style="list-style-type: none"> Municipal sewer system 	<ul style="list-style-type: none"> Municipal sewer system
<p>Water Volume Discharged: <i>(m³)</i></p>	4200	3150
<p>Water Volume Recycled:</p>	0	0

(m ³)		
Total waste Produced <i>(please state units)</i>	23 tons	18 tons
Total hazardous waste Produced: <i>(please state units)</i>	0.8 ton	0.6 ton
Waste to Recycling: <i>(please state units)</i>	N/A	N/A
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	1200000 pcs	1000000 pcs

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

- 10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
- 10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
- 10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

- 10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
- 10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established the Anti-bribery & Anti-corruption policy and procedure.
2. The factory had signed the Anti-bribery agreement with main suppliers and employees.
3. The factory had a transparent system in place for confidentially reporting.
4. Mr. Wei Longgao/Vice Manager was the designated person responsible for implementing standards concerning Business Ethics.
5. The factory had provided Business Ethics training for all employees.

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

Details:

1. Anti-bribery & anti-corruption policy and procedure
2. Anti-bribery agreement signed between suppliers and factory
3. Anti-bribery agreement signed between employees and factory
4. Training records

5. Management and workers interview

Any other comments:
Nil

Non-compliance:	
<p>Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI/Additional Elements requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> NA</p>

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

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

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details:</p>
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	<p>The facility had a Business Ethics Policy and the policy had been communicated and applied both internally and externally.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details:</p> <p>The factory had given training to relevant personnel (e.g. sales and logistics) on business ethics issues. Relevant training records were provided for review.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details:</p> <p>Mr. Song Teng/ Manager was appointed to be responsible for this work. The policy would be reviewed quarterly and updated on regular basis if needed.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details:</p> <p>The factory maintained and provided the suppliers' training records about business ethics for review.</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1

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

Not Applicable please x

Photo Form

		
<p>1. Factory name</p>	<p>2. Factory gate</p>	<p>3. Production building</p>
		
<p>4. Raw material warehouse</p>	<p>5. Finished good warehouse</p>	<p>6. Cutting Section</p>
		
<p>7. UV printing Section</p>	<p>8. Polishing Section</p>	<p>9. Paint-spraying Section</p>
		
<p>10. Inspection & packing Section</p>	<p>11. Fire equipment</p>	<p>12. First aid kit</p>

		
<p>13. Suggestion box</p>	<p>14. Attendance system</p>	<p>15. PPE</p>
		
<p>16. Business license</p>	<p>17. Potable water</p>	<p>18. Emergency light and exit</p>
	<p>N/A</p>	<p>N/A</p>
<p>19. NC- NC-Worker did not wear earplugs</p>	<p>N/A</p>	<p>N/A</p>



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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5Iw_3d_3d

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

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