



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5096452	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS405518377	
Business name (Company name):	Ningbo Beibeile Baby Products Co LTD			
Site name:	Ningbo Beibeile Baby Products Co Ltd			
Site address:	No 62, Industry Road , Industry District Zhangqi, Cixi City , Zhejiang , China Ningbo 315313 CN	Country:	CN	
Site contact and job title:	Ms. Zhang Danfeng / Manager			
Site phone:	86-574-63778625	Site e-mail:	sales2@nbdbl.cn	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-06-19			

Audit Company Name:
Benchmarks Company Limited

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Syah Sha	APSCA Number:	21704693
Additional Auditors:	Olivia Zhang		32200939
Date of declaration:	2024-06-19		

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

Site Representation	
Full Name:	Ms. Zhang Danfeng
Title:	Manager
Date of declaration:	2024-06-19
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation	0.B.1		0	1	0	Obs - ZAF600507113
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - 2d234d7b-4375-4366-878d-1e24327ef9fa NC - 62b5cd44-8654-4acb-97ff-c31182f56545
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1 5.1	§3 §4	2	0	0	NC - ZAF600507114 NC - c0d9bb3b-ad61-40bc-9040-cf2c28bf63c2
6 - Working hours are not excessive	6.1 6.1	§5 §6	2	0	0	NC - ZAF600507115 NC - 6fe8ff55-b2a9-4e53-a94c-d9df799dab97
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
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<p>S1</p>	<p>Legal Requirement: In accordance with Article 4.1 of The Chemical Safety Labels Writing Rules(GB15258-2009), label elements includes chemical identification, pictograms, signal words, hazard statement, precautionary statements, supplier indentification, emergency phone number, reference material prompt. Article 3.1, the label is used to represent the danger and safety precautions of chemicals with a group of characters, pictograms and code combination. It can be pasted, hanged or sprayed on chemical packaging or container.</p> <p>In accordance with Article 4.3 of The Chemical Safety Labels Writing Rules(GB15258-2009), For convenience, safety labels elements on chemical containers / packaging with less than or equal to 100ml can be simplified, which includes chemical identification, pictograms, signal words, hazard statement, emergency phone number, supplier name and phone number, reference material prompt.</p> <p>根据《化学品安全标签编写规定》(GB15258-2009)第4.1条：标签要素包括化学品标识、象形图、信号词、危险性说明、防范说明、供应商标识、应急资讯电话、资料参阅提示语等。第3.1条，标签用于表示化学品所具有的危险性和安全注意事项的一组文字、象形图和编码组合，它可粘贴、挂栓或喷印在化学品的外包装或容器上。</p>
<p>S2</p>	<p>Legal Requirement: In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.</p> <p>根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。</p>
<p>S3</p>	<p>Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.</p>
<p>S4</p>	<p>Legal Requirement: In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.</p> <p>The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p> <p>根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p> <p>根据《中华人民共和国社会保险法》第33条，职工应当参加工伤保险，由用人单位缴纳工伤保险费，职工不缴纳工伤保险费。</p>

S5	Labour Law of the People's Republic of China, Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.
S6	<p>Legal Requirement: In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p> <p>根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>

Site Details

Site Details		
Company Name	Ningbo Beibeile Baby Products Co LTD	
Site Name	Ningbo Beibeile Baby Products Co Ltd	
GPS location (if available)	GPS Address:	No 62, Industry Road , Industry District Zhangqi, Cixi City , Zhejiang , China
	Coordinates:	N 30°12'51"; E 121°45'21"
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 913302827995308456. Valid from April 4, 2007.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Products: Children's dining table. Activities: mixing, injection molding, printing, cutting, sewing and packing.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The site was located at No 62, Industry Road , Industry District Zhangqi, Cixi City , Zhejiang , China. It was established on April 4, 2007 and consists of one 4-storey office building, one 5-storey warehouse and workshop building, one 2-storey workshop building and one 2-storey canteen building. The construction area of this site is about 10154 square meters. The factory had another place which was located at the No. 147 Zhangdong Road, Zhangqi town, Cixi City, Ningbo and consists of one 5-storey office building(which was idle now), one 1-storey workshop building, one 4-storey building which was rented to Ningbo Beiyou Packing Co.,Ltd and one 3-storey building which was rented to Ningbo Beiyou Packing Co.,Ltd. The construction area of this site is about 4565 square meters. No dormitory was provided for employees in the factory. A total of 98 employees are currently working in the site, which includes 94 workers and 4 management staffs. The lease contract and business licenses were provided for review.</p>	

Structure and number of buildings	Building Name:		Office building
	Floor	Description	Remark
	1	Office	NA
	2	Office	NA
	3	Office	NA
	4	Office	NA
	Building Name:		Warehouse and workshop building
	Floor	Description	Remark
	1	Warehouse	NA
	2	Mixing and painting workshop	NA
	3	Sewing workshop	NA
	4	Cutting and packing workshop	NA
	5	Warehouse	NA
	Building Name:		Workshop building
	Floor	Description	Remark
	1	Injection molding workshop	NA
	2	Injection molding workshop	NA
	Building Name:		Canteen
	Floor	Description	Remark
	1	Canteen	NA
	2	Canteen	NA
	Building Name:		Idle office building
	Floor	Description	Remark
	1	Idle	NA
	2	Idle	NA
	3	Idle	NA
	4	Idle	NA
	5	Idle	NA
Building Name:		Workshop building	
Floor	Description	Remark	
1	Painting workshop	NA	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Per factory tour, no visible structural integrity issue was observed during this visit.		

Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Official structural safety documentation was provided for review and no 3rd party structural engineer evaluation was required by local law.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	
Process overview	Official structural safety documentation was provided for review and no 3rd party structural engineer evaluation was required by local law. Main equipment used: injection molding machines.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Ms. Xu
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. No dormitory in the factory.

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

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	NA. No union in the factory.		
<i>Reason for absence during the audit</i>	NA. No union in the factory.		
<i>Reason for absence at the closing meeting</i>	NA. No union in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	7	0	0	45	0	0	0	52
Worker numbers - female	8	0	0	34	0	0	0	42
Total	15	0	0	79	0	0	0	94
Number of Workers interviewed - male	2	0	0	3	0	0	0	5
Number of Workers interviewed - female	2	0	0	3	0	0	0	5
Total - interviewed sample size	4	0	0	6	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Nothing to report.
What did the workers like the most about working at this site?	Timely payment, good working condition.
Any additional comment(s) regarding interviews:	Nothing to report.
Attitude of workers to hours worked:	Reasonable and acceptable.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
All workers stated that they were satisfied with their employment at the factory and current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working conditions to their worker representative who would take it to the worker management committee. Apart from the 10 workers interviewed listed in the worker analysis table, another 2 employees were interviewed for business ethics and 2 employees for environment as this is a 4- pillar audit.
Attitude of worker’s committee/union reps:
The worker representatives are satisfied with the working condition, working hours and factory management. No compliant was raised during interview.
Attitude of managers:
During the opening meeting, auditor explained the audit scopes and audit standards to the factory management, factory management showed cooperation and transparency during the visit. Auditor gained full access to factory tour, document review and interviews with management members and workers, a full audit was finished as scheduled. During the factory tour, management was willing to open the places which were locked before auditor accessing. Factory management also allowed auditor to select the samples and interview production workers in a private and confidential manner.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
 0.A.3 Businesses shall identify their stakeholders and salient issues.
 0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
 0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

1. The policy and written procedures for human rights were set up in the factory which were communicated to their suppliers and their owned partners.
2. The relevant framework and commitment were made. And responsible person from management team was assigned for compliance with the code.
3. The Human Rights issues record showed that the policy had been communicated to the workers and suppliers.
4. The factory provided a grievance system. It had a transparent and well-communicated system in place to enable the workers and suppliers to report to the company on Human Rights issues without fear of reprisals towards the reporters.

Evidence examined:

Details:
 Human right policy and commitment
 Social responsibility management structure and assignment
 Training records
 Worker interview
 Management interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Comprehensive written policies and procedures on labour right were established and implemented in the factory, factory management signed commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All policies were included in the workers' manuals.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Zhang; Job title: Manager.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box was set in a confidential place for employees to report differing opinion without fear of reprisals.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Private data was kept in a secure area and only accessible by authorized person.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 2.0% This year 6.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	6.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 0.0% This year 0.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	0.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accident record was available.

Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

OB - Management Systems and code Implementation
[Summary of Findings]

OB: Compliance Requirements

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.3 Suppliers are expected to communicate this Code to all employees.
- 0.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.
- 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:

1. The factory implemented and maintained systems for delivering compliance to this Code.
2. Ms. Zhang/Manager was responsible for compliance with the Code.
3. The factory communicated this Code to all employees by training as confirmed by training records and worker interviews.

Evidence examined:

Details:

- Management interview
- Factory policies and procedures
- Training records
- Worker interview

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No fine or prosecution was noted during the past 12 months
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sufficient procedures had been established to prevent forced labour, child labour, discrimination, harassment and abuse.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The relevant policy existed and the factory was aimed to control and reduce the risks.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training regarding forced labour, child labour, discrimination, harassment & abuse was held regularly.

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Responsibility for meeting the legal and client code requirements was taken by the HR department and factory Director. Together they were responsible to the factory manager for ensuring the standards were met.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>ISO 9001 with number No.17422Q20750R0M.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Ms. Zhang/Manager</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Ms. Zhang/Manager</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>A policy has been established to ensure all workers' information is confidential.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Only assigned responsible persons have access right to confidential information.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Comprehensive risk assessment was conducted to evaluate policy and procedure effectiveness.</p>
<p>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</p> <p>Please give details:</p> <p>After risk assessment, the senior management team will discuss corrective and preventive action plan to avoid these issues from happening again.</p>
<p>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</p> <p>Please give details:</p> <p>The factory had established policy/code which required labour standards of its own suppliers.</p>
<p>Land Rights</p>	
<p>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</p> <p>Please give details:</p> <p>All required land rights licenses and permissions were provided for review</p>

<p>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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Not applicable in China.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: NA</p>
<p>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</p> <p>Please give details: NA</p>
<p>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 checked="" type="checkbox"/> No</p> <p>Please give details: NA. Facility had no right of land acquisition in China.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There was no evidence of illegal appropriation of land for facility building or expansion of footprint.</p>

Observation		Evidence
[Back to findings summary]		
Observation		
Status	CLOSED	
Reference	ZAF600507113	
Clause	0B - Management Systems and code Implementation	
Issue Title	36 - No / inadequate system in place to monitor the site's own suppliers against social standards	
Subcategory	Site's Systems to Manage Supplier Compliance	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA600014125	
Resolved by audit	ZAA600070751	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lack of the knowledge of the new requirement.	
ETI code	O.B.1 - Suppliers are expected to implement and maintain systems for delivering compliance to this Code.	
Explanation to the observation	The factory did not have enough systems to monitor whether its suppliers' workplaces comply with social standards. 工厂没有足够的系统监测自己供应商工作场所是否符合社会标准。	
Actions	It is recommended that the factory had adequate systems to monitor the workplace of its suppliers. 建议工厂有足够的系统监测自己供应商的工作场所符合社会标准。	
Additional comments	Appropriate Corrective Action Taken Per documents review, the factory provided the ETI code to all suppliers.	

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory established a policy to ensure employment was freely chosen. The policy included the following clause:

- 1. The factory did not require deposit or withhold employees' ID cards.
- 2. The factory did not restrict the employees' freedom.
- 3. There was no forced, bonded or involuntary prison labour.
- 4. Employees were free to leave their employer after reasonable notice.

Evidence examined:

Details:

- 1. Policy documents
- 2. Worker interviews
- 3. Personnel files (to check for ID's)
- 4. Contracts to establish notice periods

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Employees to terminate employment can leave the factory freely and are not restricted.
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 Please give details: Not applicable for China.

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No any restriction was found during this audit.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>Factory forbade its supply chain involving in any activity of forced / trafficked / bonded labour.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Factory would terminate cooperation with its supply chain if any forced / trafficked / bonded labour issue was noted.</p>

2 - Freedom of Association and Right to Collective Bargaining are Respected
[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- There was a worker committee available in the factory.
- Suggestion box was used for employees to put forward any idea.
- The right to freedom of association and collective bargaining was only restricted under law, the employer facilitates.
- According to workers interview, they were free to join worker committee on their own choice, the factory management recognized and respected their rights to freedom of association and collective bargaining, and the workers were not subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

Evidence examined:

1. Management interview
2. Worker interview
3. Records from the worker committee
4. Suggestions from the suggestion box and actions taken

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker committee	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The managements provided a meeting room for worker committee.
Name of union and union representative, if applicable:	NA
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Yes. Worker committees.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Xu
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-01-10
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Date of last meeting: April 26, 2024 Topics covered: Safety production management and benefits for employees. Meeting minutes were kept for review and were communicated to all employees
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic
[Summary of Findings]

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety Management

The work floors were well lit and ventilated. The noise level was within legal limits. There was no air pollution.

All the workers had access to potable water and toilets which were gender specific and clean.

The workers were provided with health and safety training regularly.

There are health and safety management regulations in place for the workers' awareness.

There are hazardous factors warnings posted at the work places for the workers' awareness.

2. Fire safety

The factory was installed with adequate firefighting equipment, such as fire extinguishers, fire hydrants, smoke detectors, which were inspected regularly. The latest inspection was dated Feb 2024.

There were adequate emergency exits in place, which were accessible and unobstructed.

The factory conducted fire drills regularly covering all floors and shifts. The workers knew how to evacuate in case of an emergency.

The emergency doors were kept open during the working hours.

There are fire alarms installed, which could be heard in all areas.

3. Electricity and machinery

The factory inspects all the electrical cabinets regularly. The latest was dated Feb 2024.

The cabinets were provided with covers for proper insulation and warning signs.

There are qualified and competent electricians on site. They were responsible for the maintenance and inspection of all the electrical equipment.

The machinery was inspected regularly and installed with emergency stop buttons.

4. Medicare and PPE

There were 2 first aiders on site, who were certified.

The workers were provided with proper PPEs, such as steel wire gloves. They could replace the PPEs free of charge in case the PPEs were worn out.

5. The factory conducted risk assessments regularly. The latest was dated Feb 2024.

Evidence examined:

Details:

- 1. Health and safety policy and procedure review
- 2. Health and safety training records
- 3. Fire drill records
- 4. Firefighting equipment inspection records
- 5. Factory tour
- 6. Worker interview
- 7. Management interview

Any other comments:

Nil


<p>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</p> <p>Please give details: Safety policies and procedures were established in worker's manual and factory had provided training for employees regularly.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: It was included in worker's manual. E.g. Routine EHS training meeting covering various topics were provide to workers.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No additional structure noted during this audit</p>
<p>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</p> <p>Please give details: PPE was provided at no cost if necessary.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No medical room available in the factory but first aid kit with sufficient supply was provided in each workshop.</p>
<p>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</p> <p>Please give details: No doctor or nurse available in the factory but trained first aid personnel was available in the factory.</p>
<p>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</p> <p>Please give details: No worker transport was provided.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: NA No dormitory was provided for workers in the factory.</p>
<p>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</p> <p>Please give details: List of Potential risk for each position, potential risk for young worker and pregnant woman.</p>
<p>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</p> <p>Please give details: All necessary environmental permits and approvals were obtained and provided for review.</p>

Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?


Yes No

Please give details:

No banned chemical was used in the factory.

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	2d234d7b-4375-4366-878d-1e24327ef9fa	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>Legal Requirement: In accordance with Article 4.1 of The Chemical Safety Labels Writing Rules(GB15258-2009), label elements includes chemical identification, pictograms, signal words, hazard statement, precautionary statements, supplier identification, emergency phone number, reference material prompt. Article 3.1, the label is used to represent the danger and safety precautions of chemicals with a group of characters, pictograms and code combination. It can be pasted, hanged or sprayed on chemical packaging or container.</p> <p>In accordance with Article 4.3 of The Chemical Safety Labels Writing Rules(GB15258-2009), For convenience, safety labels elements on chemical containers / packaging with less than or equal to 100ml can be simplified, which includes chemical identification, pictograms, signal words, hazard statement, emergency phone number, supplier name and phone number, reference material prompt.</p> <p>根据《化学品安全标签编写规定》(GB15258-2009)第4.1条：标签要素包括化学品标识、象形图、信号词、危险性说明、防范说明、供应商标识、应急资讯电话、资料参阅提示语等。第3.1条，标签用于表示化学品所具有的危险性和安全注意事项的一组文字、象形图和编码组合，它可粘贴、挂栓或喷印在化学品的外包装或容器上。</p>	
ETI 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>NC Incomplete safety label.JPG</p>

<p>Explanation to the non compliance</p>	<p>Description of Non-Compliance: It was noted that the cleaning oil container being stored in the mixing workshop was posted with a safety label, but the content of the safety label was incomplete. The label did not include items signal words, supplier identification, emergency information numbers, and data reference prompts. 审核员发现拌料车间存放的易燃的盛装去油污的容器有张贴安全标签，但是信息不完全，缺少信号词、供应商标识、应急资讯电话和资料参阅提示语。</p>	
<p>Follow up method</p>	<p><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</p>	
<p>Timescale</p>	<p><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</p>	
<p>Actions</p>	<p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that all the safety labels on hazardous chemical packaging should be complete with all the legal required content. 建议所有在工厂内储存和使用的危险化学品安全标签的内容要完整。</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	62b5cd44-8654-4acb-97ff-c31182f56545	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Legal Requirement: In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. 根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。	
ETI 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.	
Explanation to the non compliance	Description of Non-Compliance: It was noted that the gap between stacks and posts was 0.1 meter, which was less than the legal requirement of 0.3 meter. 审核员发现仓库库存物品与柱的间距为0.1米，小于法定0.3米的要求。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days	
		
	NC The gap between the goods and the post was less than the legal requirement .JPG	

	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that the width of gap between the goods and posts are in accordance with the legal requirement. 建议工厂确保仓库库存物品垛与柱的间距符合法律要求。	

4 - Child Labour Shall Not Be Used
[Summary of Findings]

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The site established a policy that it will never employ or use any child labor under the age of 16 years old.
- 2. The site will verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files.
- 3. Sufficient numbers of 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.
- 4. The employees between 16 to 18 years old would be registered to the Department of labor.

Evidence examined:

- 1. Recruitment policy review
- 2. Employment contracts and personnel files review
- 3. Management interview
- 4. Worker interview

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	21
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The auditor reviewed the payroll records of 30 samples from July 2023, October 2023 and April 2024.
- Per payroll registers and employees & management interview, all employees were paid by hourly rate, all employees were paid by bank transfer on the 28th of next month.
- All sampled workers were paid at least RMB 18.97 per hour in the sampled month, which was above the local minimum wage standard of RMB 14.31 per hour effective from July 2023.
- Partial employees were provided with 5 kinds of social insurance benefit in the factory.
- The factory used a face recognize system for time keeping.
- Employees were provided with pay slip monthly.

Evidence examined:

Details:
Wage and compensation policy review
Payroll and social insurance records review
Employee interview

Any other comments:

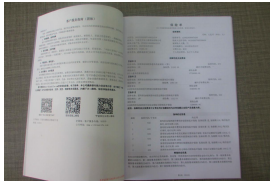
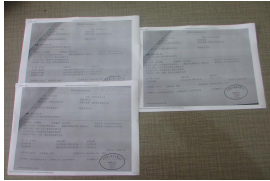
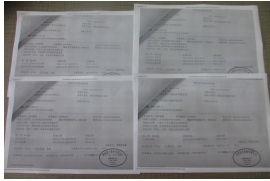
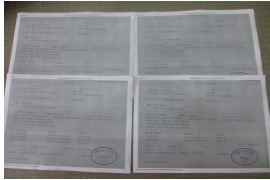
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Summary Information

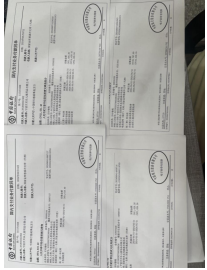
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 168.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 12.0 Per Month: 52.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 114.48 Per Week: 572.41 Per Month: 2490	Actual Per Day: 151.76 Per Week: 758.8 Per Month: 3300	NO

Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 56.91 Per Week: 417.34 Per Month: 1669.36	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from random month July 2023 10 samples from random month October 2023 10 samples from the recent paid month April 2024		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 18.97 per hour		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Job allowance. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, tax.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	1. Social insurance, social insurance of personal part was deducted. 2. Tax. Some employees paid taxes		
Please list all deductions that have not been made.	1. Tax. Not all employees need to paid taxes. 2. Social insurance. Not all employees were provided with the social insurance.		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

<p>Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory used a face recognize system for working hour keeping, all requested working hour records were provided for review during this audit, no inconsistency was found by cross checking with provided records and relevant production records.</p>
<p>Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage</p> <p><input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK</p> <p><input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation</p> <p><input type="checkbox"/> Other – please give details:</p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory management reviews wages records monthly.</p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Same position was paid at same rate.</p>
<p>How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque</p> <p><input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

Non-Compliance		Evidence																												
[Back to findings summary]																														
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>CLOSED</td> </tr> <tr> <td>Reference</td> <td>ZAF600507114</td> </tr> <tr> <td>Clause</td> <td>5 - Living Wages are Paid</td> </tr> <tr> <td>Issue Title</td> <td>423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic</td> </tr> <tr> <td>Subcategory</td> <td>Benefits & Insurance</td> </tr> <tr> <td>New or carried over?</td> <td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td> </tr> <tr> <td>Raised by audit</td> <td>ZAA600014125</td> </tr> <tr> <td>Resolved by audit</td> <td>ZAA600070751</td> </tr> <tr> <td>Root cause</td> <td> <input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td> Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full. </td> </tr> <tr> <td>ETI code</td> <td>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.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>The factory did not provide 5 categories of social insurances for all employees required by law. There were totally 97 employees in the factory (30 out of 97 employees were employed after retired, 3</td> </tr> </tbody> </table>		Non-Compliance		Status	CLOSED	Reference	ZAF600507114	Clause	5 - Living Wages are Paid	Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Subcategory	Benefits & Insurance	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA600014125	Resolved by audit	ZAA600070751	Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.	ETI 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.	Explanation to the non compliance	The factory did not provide 5 categories of social insurances for all employees required by law. There were totally 97 employees in the factory (30 out of 97 employees were employed after retired, 3	 <p>IMG_4369.JPG</p>  <p>IMG_4368.JPG</p>  <p>IMG_4367.JPG</p>  <p>IMG_4366.JPG</p>
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Explanation to the non compliance	The factory did not provide 5 categories of social insurances for all employees required by law. There were totally 97 employees in the factory (30 out of 97 employees were employed after retired, 3																													

	<p>employees were newly joined employees, no temporary/dispatched employees), auditor checked the social insurance receipts of Feb 2023, Mar 2023 and Apr 2023, per the social insurance receipts of Apr 2023, the factory provided unemployment, retirement, medical, work-related injury and maternity insurances for 36 employees, therefore it was not compliance with legal requirement. Remark: The factory provided commercial accident insurance for other 61 employees. Commercial insurance was valid from 03 June, 2023 to 02 June, 2024. 工厂一共有97人（其中30人为退休返聘员工，3人为新进员工，无临时工/派遣工），审核员查看了2023年2月，2023年3月和2023年4月的社保收据，2023年4月社保收据显示工厂为36名员工提供了失业，养老，医疗，工伤和生育保险，不符合法律要求。备注：工厂为其他61名员工购买商业意外险。商业保险期限自2023年06月03日至2024年06月02日止。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that the factory should ensure all workers participate in the all 5 types of social insurance schemes. 建议工厂给所有员工购买五险。</p>	
Additional comments	<p>Description of Non-Compliance: It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 36 out of 98 employees were provided with pension, accident, unemployment, medical, maternity insurance in May 2024. Remark: The factory provided the commercial accident insurance for 74 employees, valid from June 3, 2024 to June 2, 2025. 审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年5月的社会保险缴费单据显示工厂仅为36/98名员工提供养老、工伤、失业、医疗、生育保险。备注：工厂为74名员工提供了商业意外险，有效期为2024年6月3日至2025年6月2日。</p> <p>The NC is closed. Please refer to a new NC for this issue.</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	c0d9bb3b-ad61-40bc-9040-cf2c28bf63c2	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>Legal Requirement: In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.</p> <p>The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p> <p>根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p> <p>根据《中华人民共和国社会保险法》第33条，职工应当参加工伤保险，由用人单位缴纳工伤保险费，职工不缴纳工伤保险费。</p>	
ETI 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.	
Explanation to the non compliance	Description of Non-Compliance: It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it	
		 <u>NC Incomplete social insurance.JPG</u>

	<p>was noted that only 36 out of 98 employees were provided with pension, accident, unemployment, medical, maternity insurance in May 2024. Remark: The factory provided the commercial accident insurance for 74 employees, valid from June 3, 2024 to June 2, 2025. 审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年5月的社会保险缴费单据显示工厂仅为36/98名员工提供养老、工伤、失业、医疗、生育保险。 备注：工厂为74名员工提供了商业意外险，有效期为2024年6月3日至2025年6月2日。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>Recommended Corrective Action: It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. 建议工厂为员工提供所有法定的社会保险福利。</p>	

6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- A review of 30 sample population employees' time records (10 samples from random month July 2023, random month October 2023 and the recent paid month April 2024 respectively). It was noted that the maximum overtime worked on weekdays were 2 hours, the maximum weekly working hours were 12 hours. The maximum monthly overtime hours were 52 hours among testing periods and the longest consecutive working days were 6.
- The factory used a face recognize system for time keeping, the time record for the past 12 months was retained for review.
- There was only one shift arranged for other employees: 7:30-11:30; 13:00-17:00.

Evidence examined:

1. Working hours policy and procedure
2. Time Records
3. Employee interview
4. Management interview

Any other comments:

Nil





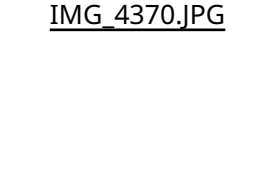
Working hours' analysis

Systems & Processes

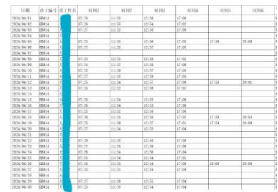
What timekeeping systems are used?	Face recognize system
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours a workday, 12 hours a week and 52 hours a month in random month July 2023; 0 hours a workday, 12 hours a week and 48 hours a month in random month October 2023; 2 hours a workday, 12 hours a week and 42 hours a month in the recent paid month April 2024.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Approximate percentage of total workers on highest overtime hours:	90.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Verified from wording of contract / employment agreement / handbook and worker interviews.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A - there is no legal requirement to OT premium Please give details: 150% of normal wage for weekday overtime hours, 200% of normal wage for rest day overtime hours.

Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100%, monthly
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	NA
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	NA
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	NA
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Overtime hours were arranged on a regular basis.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600507115	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA600014125	
Resolved by audit	ZAA600070751	
Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Labour Law of the People's Republic of China, Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.	  
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	 
Explanation to the non compliance	The employees' monthly overtime in the factory exceeded legal requirement. The factory provided attendance records from May 2022 to the audit day, 10 workers' attendance records of May 2022, Nov 2022 and Apr 2023 were sampled, it was noted that the maximum monthly overtime hours of 10 sampled employees were 46 hours in May 2022, 50 hours in Nov 2022 and 50 hours in Apr 2023, which exceeded legal law limit of 36 hours per month. 根据工厂提供的从2022年5月到审核当天考勤记录，审核员抽样抽取了10名员工2022年5月，2022年11月和2023年4月的考勤记录，审核发现10个抽样员工在2022年5月最大月加班时间为46小时，2022年11月最大月加班时间达到50个小时，2023年4月最大月加班时间为50小时，超	

	过了法律限定的月36小时。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should adopt measure to limit monthly overtime hours not more than 36 hours. 建议工厂月加班时间不超过法律规定的36个小时。	
Additional comments	<p>Description of Non-Compliance: It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from random month July 2023, 10 samples from random month Oct 2023 and 10 samples from the recent paid month April 2024) yielded the following:</p> <ul style="list-style-type: none"> •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 52 hours) in July 2023, which was not in compliance with the legal requirement; •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 48 hours) in October 2023, which was not in compliance with the legal requirement; •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 42 hours) in April 2024, which was not in compliance with the legal requirement. <p>根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工资记录中抽取30个样本(其中从随机月2023年7月抽取10个，从随机月2023年10月抽取10个，从最近发薪月份2024年4月抽取10个)，发现共有30名员工加班时间超出了法定标准，具体为：</p> <ul style="list-style-type: none"> •10/10名员工在2023年7月的加班时间为52小时，超过每月加班时间不能超过36小时的法律规定； •10/10名员工在2023年10月的加班时间为48小时，超过每月加班时间不能超过36小时的法律规定； •10/10名员工在2024年4月的加班时间为42小时，超过每月加班时间不能超过36小时的法律规定。 <p>The NC is closed. Please refer to a new NC for this issue.</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	6fe8ff55-b2a9-4e53-a94c-d9df799dab97	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>Legal Requirement: In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p> <p>根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>	 <p>NC Overtime working hours exceeded the legal requirement.jpg</p>
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	Description of Non-Compliance: It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from random month July 2023, 10 samples from random month Oct 2023 and 10 samples from the recent paid month April 2024) yielded the following: • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 52 hours) in July 2023, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours	

	<p>per month (i.e. 48 hours) in October 2023, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 42 hours) in April 2024, which was not in compliance with the legal requirement. 根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工资记录中抽取30个样本(其中从随机月2023年7月抽取10个，从随机月2023年10月抽取10个，从最近发薪月份2024年4月抽取10个)，发现共有30名员工加班时间超出了法定标准，具体为：• 10/10名员工在2023年7月的加班时间为52小时，超过每月加班时间不能超过36小时的法律规定；• 10/10名员工在2023年10月的加班时间为48小时，超过每月加班时间不能超过36小时的法律规定；• 10/10名员工在2024年4月的加班时间为42小时，超过每月加班时间不能超过36小时的法律规定。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>Recommended Corrective Action: It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂确保员工的加班时间符合法律要求。</p>	

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- As informed by interviewed workers, most employees spoke highly of the factory owner.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit.
- Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
- There was no evidence of sexual harassment.

Evidence examined:

Details:

- The hiring and termination procedure, leave application records and employee handbook.
- Payroll records
- Attendance records
- Termination records
- Training records

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 25.0%	Female: 75.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	3 women worked as managements.	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	NA	
Professional Development		
What type of training and development are available for workers?	Workers were provided with fire safety, usage of PPE and work safety as well as company policies and procedures trainings etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

- Workers were provided with employment contract upon recruitment;
- The employment contract items were in compliance with legal requirement.
- A copy of employment contract was provided to each employee.
- Work performed is on the basis of recognized employment relationship established through national law and practice.
- The factory signs labor contracts with employees within 30 days after employment.
- There is no homeworking from the site.
- No agency worker was used in the factory.

Evidence examined:

Details:
Employment policy review
Employment contracts and personnel files review
Worker interview
Management interview

Any other comments:

Nil

Responsible Recruitment

All Workers

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

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

Do all contractor workers understand their terms of employment?

Yes No

Please give details:

NA

8A - Sub-Contracting and Homeworking
[Summary of Findings]

8A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

Per factory tour, document review and management interview, no process was subcontracted to other factories.

Evidence examined:

Details:

Site tour (Calculation on total production and estimated capacity)

Materials in/out records

Management interview

Worker interview

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

<p>Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>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>Please give details:</p>

10A - Entitlement to Work and Immigration
[Summary of Findings]

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

-Per document review, factory management representation and worker interview, all workers in the factory were Chinese, no foreign worker was used by the factory.
-All workers had the proper legal rights to work in this region.
-The youngest age was 21 years old.
-Only workers with a legal right to work shall be employed or used by the factory. There were no agency staff, employment agencies.

Evidence examined:

Details:

-Hiring procedure
-Personnel files
-Worker handbook

Any other comments:

Nil

10B4 - Environment 4–Pillar
[Summary of Findings]

10B4: Compliance Requirements

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

- The factory established the environment policy and procedure to ensure meeting applicable environmental laws.
- All of the necessary documentation on environmental protection was obtained.
- The factory had tracked necessary data (energy, water, waste, etc.).
- The factory had established targets on energy and waste reduction.

Evidence examined:

Details:
 Factory tour
 Environmental policy and procedure
 Environmental data
 Worker interview
 Management interview

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):

Ms. Zhang/Manager.

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessment on the environmental impact was conducted in the factory.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had communicated the information on worker committee meeting and EHS committee meeting.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such sustainability systems.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory had provided all necessary environment document for review.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: No hazardous chemicals are used in the factory.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The reduction targets were noted in environmental management system manual.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory calculated waste recycling and monitored waste volume quarterly.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had count the consumption of key utilities of water and energy.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Business partners operating on the premises had appropriate permits and licences and were conducting business in line with environmental.	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	1476693	476405
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Municipal water	Municipal water
Water Volume Used	11580000	5820000
Water Discharged	Domestic sewage	Domestic sewage
Water Volume Discharged	11000000	5600000
Water Volume Recycled	0	0
Total waste produced	0.7 ton	0.3 ton
Total hazardous waste produced	0.7 ton	0.3 ton
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	500000 pieces	200000 pieces

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

10C: Compliance Requirements

- 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
- 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
- 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
- 10C: Guidance for Observations
- 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
- 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

- The company manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
- The company established a business ethics policy which was communicated to workers through posters and training.
 - The site had received and read the Business Ethics policy of the auditor/audit company.
 - There was an internal grievance process, which was an anonymous email address

Evidence examined:

- Details:
- The company business ethics policy including
 - Bribery
 - Corruption
 - Training records
 - Worker handbook
 - Reports from Anonymous email account

Any other comments:

Nil

<p>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>Please give details: The factory had established written Business Ethics Policy and applied both internally and externally.</p>
<p>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>Please give details: Yes, per interview with sales employees</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Policy was updated regularly per situation was changed or legal requirement was updated.</p>
<p>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>Please give details: Factory had required their suppliers to conduct business ethics training.</p>

Attachments



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Baby Products Co Ltd_Annual June 19 2024_Photo
Form(4P).pdf



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CAP(4P).pdf



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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.

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[Click here for Auditors:](#)

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