



# Sedex Members Ethical Trade Audit Report

Version 6.1



| Audit Details   |  |   |  |   |
|---|--|---|--|---|
| Sedex Company Reference:<br><i>(only available on Sedex System)</i> | ZC: 1056047  | Sedex Site Reference:<br><i>(only available on Sedex System)</i>                | ZS: 1078164  |   |
| Business name (Company name):                                       | Profit Charm Star Electrical Appliances Ltd.   |   |  |   |
| Site name:  | Dongguan Humen Deli Toys Factory<br>东莞市虎门德利玩具厂   |   |  |   |
| Site address:<br><i>(Please include full address)</i>               | No. 2-7 Nanzhan Industrial Area, Zone 3, Nanfung Rd., Hu Men, Dongguan, China<br>东莞太平虎门南栅第三工业南丰路2巷7号 | Country:  | China  |   |
| Site contact and job title:   | Wu Libin, assistant manager  |   |  |   |
| Site phone:   | 86 – 769 - 769 8523 5448   | Site e-mail:  | joewong@188.com  |   |
| SMETA Audit Pillars:  | <input checked="" type="checkbox"/> Labour Standards   | <input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar) | <input checked="" type="checkbox"/> Environment 4-pillar | <input checked="" type="checkbox"/> Business Ethics |
| Date of Audit:  | November 28 – 29, 2022   |   |  |   |

|  |  |
|--|--|
| <b>Audit Company Name &amp; Logo:</b><br><br><b>BCI Compliance Group</b><br> | <b>Report Owner (payer):</b><br><br>Dongguan Humen Deli Toys Factory |
|--|--|

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

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto:grievance@sedex.com).

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

|                            |                            |
|----------------------------|----------------------------|
| Lead auditor: Sam Liu      | APSCA number: CSCA21703157 |
| Lead auditor APSCA status: | In Good Standing           |
| Team auditor: Nil          | APSCA number: N/A          |
| Interviewers: Sam Liu      | APSCA number: CSCA21703157 |

Report writer: Sam Liu

Report reviewer: Elsa Huang

Date of declaration: November 29, 2022

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

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

## Summary of Findings

| Issue<br><i>(please click on the issue title to go direct to the appropriate audit results by clause)<br/>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i> | Area of Non-Conformity<br><i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i> |                                     |                                     |                          | Record the number of issues by line*: |     |    | Findings<br><i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>                  |
|---|--|-------------------------------------|-------------------------------------|--------------------------|---------------------------------------|-----|----|--|
|   | ETI Base Code  | Local Law                           | Additional Elements                 | Customer Code            | NC                                    | Obs | GE |  |
| 0A <a href="#">Universal Rights covering UNGP</a>   |  |                                     | <input type="checkbox"/>            | <input type="checkbox"/> |                                       | 0   | 0  | Nil  |
| 0B <a href="#">Management systems and code implementation</a>   |  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 0                                     | 1   | 0  | Ob:<br>1. Not completed SAQ  |
| 1. <a href="#">Freely chosen Employment</a>   | <input type="checkbox"/>   | <input type="checkbox"/>            |                                     | <input type="checkbox"/> | 0                                     | 0   | 0  | Nil  |
| 2. <a href="#">Freedom of Association</a>   | <input type="checkbox"/>   | <input type="checkbox"/>            |                                     | <input type="checkbox"/> | 0                                     | 0   | 0  | Nil  |
| 3. <a href="#">Safety and Hygienic Conditions</a>   | <input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/> |                                     | <input type="checkbox"/> | 2                                     | 0   | 0  | NCs:<br>1. Not wearing personnel protective equipment correctly<br>2. No warning label on one electric panel |
| 4. <a href="#">Child Labour</a>   | <input type="checkbox"/>   | <input type="checkbox"/>            |                                     | <input type="checkbox"/> | 0                                     | 0   | 0  | Nil  |
| 5. <a href="#">Living Wages and Benefits</a>  | <input type="checkbox"/>   | <input type="checkbox"/>            |                                     | <input type="checkbox"/> | 0                                     | 0   | 0  | Nil  |
| 6. <a href="#">Working Hours</a>  | <input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/> |                                     | <input type="checkbox"/> | 1                                     | 0   | 0  | NC:<br>1. Excessive monthly OT hours   |
| 7. <a href="#">Discrimination</a>   | <input type="checkbox"/>   | <input type="checkbox"/>            |                                     | <input type="checkbox"/> | 0                                     | 0   | 0  | Nil  |
| 8. <a href="#">Regular Employment</a>   | <input type="checkbox"/>   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | 0                                     | 0   | 0  | Nil  |

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

General observations and summary of the site:

The site was established in April 2001, and has been operating at current site since then. It was located at No. 2-7 Nanzhan Industrial Area, Zone 3, Nanfung Rd., Hu Men, Dongguan, China. There were two buildings (one 4-storey production building and one 5-storey dormitory building) in the perimeter. The site only occupied the wholly 1F & 3F of production building used as production, warehouse and office. There was a total of 22 employees including 18 production workers and 4 non-production employees currently in the factory. No dormitory, kitchen or canteen was provided for workers.

The audit was performed over 1.5 man-days by one auditor. The audit included opening meeting, onsite tour, management and worker interviews, document review, pre-closing meeting and closing meeting and summary of findings. All interviewed workers confirmed that they were favourable towards the factory. They enjoyed the work and stated it was a friendly environment. Pay is always accurate and is paid on time; no issues with the payslips were noted. Also, they stated that they felt comfortable in approaching with any concerns they have.

No Business-Critical Issues have been raised. Only several Non-compliance issues have risen in elements listed in above table. Please refer to Section of Audit Results by Clause for a summary of the evaluation results.

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

## Site Details

| Site Details  |   |  |
|---|---|--|
| A: Company Name:  | Profit Charm Star Electrical Appliances Ltd.  |  |
| B: Site name:   | Dongguan Humen Deli Toys Factory<br>东莞市虎门德利玩具厂  |  |
| C: GPS location:<br>(If available)  | GPS Address:<br>No. 2-7 Nanzhan Industrial Area, Zone 3, Nanfung Rd., Hu Men, Dongguan, China<br>东莞太平虎门南栅第三工业南丰路 2 巷 7 号  | Latitude: N22°49'44"<br>Longitude: E113°42'56" |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | Business licence no. 92441900G33801396X<br>Valid from April 06, 2001 to long term   |  |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc   | Plastic toys  |  |
| F: Site description:<br>(Include size, location, and age of site. Also, include structure and number of buildings)  | <p>Dongguan Humen Deli Toys Factory. was founded on April 06, 2001, and has been operating at current address since then. It was located at No. 2-7 Nanzhan Industrial Area, Zone 3, Nanfung Rd., Hu Men, Dongguan, China. There was a total of 22 employees including 18 production workers and 4 non-production employees currently in the factory. No dormitory, kitchen or canteen was provided for workers.</p> <p>There were two buildings (one 4-storey production building and one 5-storey dormitory building) in the perimeter. The site only occupied the wholly 1F &amp; 3F of production building used as production, warehouse and office. It rented these areas from another company "Dongguan Humen Town Nanzha Joint Stock Economic Union". Separated business license and lease contract were provided for review during the audit, so only the occupied areas by "Dongguan Humen Deli Toys Factory" were involved in this initial audit.</p> |  |

|  | <p>For below, please add any extra rows if appropriate.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Production Building No.1</th> <th style="width: 50%;">Description</th> <th style="width: 30%;">Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Injection, raw material warehouse</td> <td>4-storey building<br/>Total 2,984 m<sup>2</sup>, the size of 1F is 746 m<sup>2</sup></td> </tr> <tr> <td>Floor 2</td> <td>Other factories</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Assembly, inspection, packing, office, finished goods warehouse</td> <td>the size of 3F is 746 m<sup>2</sup>.</td> </tr> <tr> <td>Floor 4</td> <td>Leave empty</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes</td> <td>Year of establishment: 2001</td> </tr> </tbody> </table> <p>F1: Visible structural integrity issues (large cracks) observed?<br/> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> <p>F2: Please give details:<br/>         Based on onsite observation, the structure of factory buildings was safe and integrated, and no crack was found during the audit.</p> <p>F3: Does the site have a structural engineer evaluation?<br/> <input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>F4: Please give details:<br/>         The factory has provided Construction Building Safety Check Report for review.</p> | Production Building No.1   | Description | Remark, if any | Floor 1 | Injection, raw material warehouse | 4-storey building<br>Total 2,984 m <sup>2</sup> , the size of 1F is 746 m <sup>2</sup> | Floor 2 | Other factories | Nil | Floor 3 | Assembly, inspection, packing, office, finished goods warehouse | the size of 3F is 746 m <sup>2</sup> . | Floor 4 | Leave empty | Nil | Is this a shared building? | Yes | Year of establishment: 2001 |
|--|---|--|-------------|----------------|---------|-----------------------------------|--|---------|-----------------|-----|---------|---|--|---------|-------------|-----|----------------------------|-----|-----------------------------|
| Production Building No.1   | Description   | Remark, if any   |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| Floor 1  | Injection, raw material warehouse   | 4-storey building<br>Total 2,984 m <sup>2</sup> , the size of 1F is 746 m <sup>2</sup> |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| Floor 2  | Other factories   | Nil  |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| Floor 3  | Assembly, inspection, packing, office, finished goods warehouse   | the size of 3F is 746 m <sup>2</sup> .   |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| Floor 4  | Leave empty   | Nil  |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| Is this a shared building?   | Yes   | Year of establishment: 2001  |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| G: Site function:  | <input type="checkbox"/> Agent<br><input checked="" type="checkbox"/> Factory Processing/Manufacturer<br><input type="checkbox"/> Finished Product Supplier<br><input type="checkbox"/> Grower<br><input type="checkbox"/> Homeworker<br><input type="checkbox"/> Labour Provider<br><input type="checkbox"/> Pack House<br><input type="checkbox"/> Primary Producer<br><input type="checkbox"/> Service Provider<br><input type="checkbox"/> Sub-Contractor   |  |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| H: Month(s) of peak season: (if applicable)  | There was no peak or slack season in the past one year.   |  |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |
| I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used) | <p>The factory was manufacturing plastic toys.</p> <p>The main production processes were listed as below:<br/>                 Injection → Assembly → Inspection → Packing</p> <p>The main production equipment was injection machines etc.</p>   |  |             |                |         |                                   |  |         |                 |     |         |   |  |         |             |     |                            |     |                             |



|  |   |
|--|---|
| <p>J: What form of worker representation / union is there on site?</p>                   | <p><input type="checkbox"/> Union (name):<br/> <input checked="" type="checkbox"/> Worker Committee: Worker representatives were available<br/> <input type="checkbox"/> Other (specify):<br/> <input type="checkbox"/> Non</p> |
| <p>K: Is there any night production work at the site?</p>                                | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p>   |
| <p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p> | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> L1: If yes, approx. % of workers in on site accommodation</p>  |
| <p>M: Are there any off site provided worker accommodation buildings</p>                 | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> M1: If yes, approx. % of workers</p>   |
| <p>N: Were all site-provided accommodation buildings included in this audit</p>          | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> N1: If no, please give details<br/> N/A, no dormitory was provided for workers.</p>   |

| Audit Parameters   |  |  |   |
|--|--|--|---|
| A: Time in and time out  | A1: Day 1 Time in: 9:00<br>A2: Day 1 Time out: 17:00   | A3: Day 2 Time in: 8:00<br>A4: Day 2 Time out: 12:00 | A5: Day 3 Time in: Nil<br>A6: Day 3 Time out: Nil |
| B: Number of auditor days used:  | 1.5 man-days (1 auditor X 1.5 days)  |  |   |
| C: Audit type:   | <input checked="" type="checkbox"/> Full Initial<br><input type="checkbox"/> Periodic<br><input type="checkbox"/> Full Follow-up<br><input type="checkbox"/> Partial Follow-Up<br><input type="checkbox"/> Partial Other<br>If other, please define: |  |   |
| D: Was the audit announced?  | <input checked="" type="checkbox"/> Announced<br><input type="checkbox"/> Semi – announced: Window detail:    weeks<br><input type="checkbox"/> Unannounced  |  |   |
| E: Was the Sedex SAQ available for review?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>If No, why not<br>Not completed yet.   |  |   |
| F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?                   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>If <b>Yes</b> , please capture detail in appropriate audit by clause<br>N/A, no SAQ was provided for review.  |  |   |
| G: Who signed and agreed CAPR (Name and job title)                                     | Mr. Yan Xiaoxin, administration supervisor   |  |   |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |   |
| I: Previous audit date:  | N/A  |  |   |
| J: Previous audit type:  | N/A  |  |   |
| K: Were any previous audits reviewed for this audit                                    | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input checked="" type="checkbox"/> N/A  |  |   |

| Audit attendance   | Management  | Worker Representatives  |   |
|--|---|---|---|
|  | Senior management   | Worker Committee representatives                                    | Union representatives   |
| A: Present at the opening meeting?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: Present at the audit?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Present at the closing meeting?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: If Worker Representatives were not present please explain reasons why<br><i>(only complete if no worker reps present)</i> | N/A   |   |   |
| E: If Union Representatives were not present please explain reasons why:<br><i>(only complete if no union reps present)</i>  | There was no trade union established 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                  | 2         | 0         | 0      | 4         | 0         | 0      | 0            | 6     |
| Worker numbers – female                | 5         | 0         | 0      | 7         | 0         | 0      | 0            | 12    |
| Total                                  | 7         | 0         | 0      | 11        | 0         | 0      | 0            | 18    |
| Number of Workers interviewed – male   | 2         | 0         | 0      | 2         | 0         | 0      | 0            | 4     |
| Number of Workers interviewed – female | 3         | 0         | 0      | 5         | 0         | 0      | 0            | 8     |
| Total – interviewed sample size        | 5         | 0         | 0      | 7         | 0         | 0      | 0            | 12    |



|  |  |  |
|--|--|--|
| A: Nationality of Management   | China  |  |
| <p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p> | <p>Nationalities:</p> <p>B1: Nationality 1: <u>China</u></p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>   | <p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:<br/>N/A, there was no peak or slack season in the past one year.</p> |
| C: Please provide more information for the three most common nationalities.  | <p>C: approx % total workforce: Nationality 1 <u>100%</u></p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>  |  |
| D: Worker remuneration (management information)  | <p>D: <u>0</u> % workers on piece rate</p> <p>D1: <u>100</u> % hourly paid workers</p> <p>D2: <u>0</u> % salaried workers</p> <p>Payment cycle:</p> <p>D3: <u>0</u> % daily paid</p> <p>D4: <u>0</u> % weekly paid</p> <p>D5: <u>100</u> % monthly paid</p> <p>D6: <u>0</u> % other</p> <p>D7: If other, please give details</p> |  |



| Worker Interview Summary   |   |
|--|---|
| A: Were workers aware of the audit?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| B: Were workers aware of the code?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| C: Number of group interviews:<br><i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>  | 1 group, 4 workers/group, total 4 workers   |
| D: Number of individual interviews<br><i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>  | D1: Male: 4                      D2: Female: 4  |
| E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.<br><i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>If no, please give details                          |
| F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| G: In general, what was the attitude of the workers towards their workplace?   | <input checked="" type="checkbox"/> Favourable<br><input type="checkbox"/> Non-favourable<br><input type="checkbox"/> Indifferent |
| H: What was the most common worker complaint?  | No special complaint from the interviewed workers.  |
| I: What did the workers like the most about working at this site?  | All workers said they were satisfied with manner of factory management.   |
| J: Any additional comment(s) regarding interviews:   | Nil   |
| K: Attitude of workers to hours worked:  | All interviewed workers said they accepted the current working hours  |
| L. Is there any worker survey information available?   |   |
| <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>L1: If yes, please give details:   |   |
| M: Attitude of workers:  |   |

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

The factory agreed auditor to conduct confidential interviews with workers who were chosen freely without any influence by the factory.

The interviews were conducted in an independent room. The interviewees were assured of confidentiality and they spoke freely of their views of the factory. The interviewees showed a cooperative attitude and effective evidence was collected during the worker interviews.

All interviewees said they were satisfied with their employment at the factory and they were satisfied with the 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 relationship with their supervisors and managers who treated them with respect. They were able to make suggestion or grievance to suggestion box, boss or worker representatives.

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

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

Interviewed worker representative was satisfied with the work condition in general. The representative stated that they could give suggestions on all parts of the site's practices.

O: Attitude of managers:

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

The factory management was well co-operative during the audit and demonstrated a willingness to improve all issues found in the audit. The EHS representative and business ethic representative was interviewed too. Both the representatives demonstrated the implementation of EHS and business ethic in the factory.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

1. The factory had established policy related to human right.
2. The factory communicated the policy to all employees by training, and sent the requirement of the policy to its suppliers and obtained commitment from suppliers for complying with the policy.
3. The factory had assigned a management person to be responsible for implementing standards concerning Human rights, identified its stakeholders and salient issues, and measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
4. All interviewees confirmed that they could report any issues related human right to the workers representatives, or boss directly, also, the workers may report to suggestion box, named or anonymous, no reprisals happened.

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

##### Details:

- Records created by the factory
- Management interview and worker interviews
- Complaint& handling record.

##### Any other comments:

Nil



|  |  |
|--|--|
| <p>A: Policy statement that expresses commitment to respect human rights?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> A1: Please give details:<br/> Factory promises to respect human rights in non-discriminatory, safe work, freedom of Association, equal work, not treated harshly or humanely, the right to education and development, protect own physical and mental health, obtain the necessary food, clothing and lodging rights, gain the security of life, prohibits the use of child labour and forced labour rights, the right to gain minimum wage / minimum living wage, and get the right to rest and leisure.</p> |
| <p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> Please give details:<br/> Name: Chen Liangcai<br/> Job title: Manager</p>   |
| <p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>                                   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> C1: Please give details:<br/> Workers could report any issues related human right to the workers representatives, or boss directly, also, the workers may report to suggestion box, named or anonymous. Factory would response within 10 days.</p>  |
| <p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> D1: If no, please give details</p>  |
| <p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> E1: Please give details: The factory had established procedure to protect workers' information, and it was implemented.</p>   |

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

**Good examples observed:**

Description of Good Example (GE):  
None observed.

**Objective Evidence Observed:**  
None observed.

## Measuring Workplace Impact

| Workplace Impact   |  |  |
|--|--|--|
| A: Annual worker turnover:<br>Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)   | A1: Last year: Jan. - Dec. 2021<br><u>0.8</u> %  | A2: This year: Jan – Oct. 2022<br><u>0.8</u> % |
| B: Current % quarterly (90 days) turnover:<br>Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2] | Aug. – Oct. 2022:<br><u>0</u> %  |  |
| C: Annual % absenteeism:<br>Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2]<br>* number available workdays in the year   | C1: Last year: Jan. - Dec. 2021<br><u>1</u> %  | C2: This year: Jan – Oct. 2022<br><u>1</u> %   |
| D: Quarterly (90 days) % absenteeism:<br>Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2]<br>* Number of available workdays in the month                                   | Aug. – Oct. 2022:<br><u>1</u> %  |  |
| E: Are accidents recorded?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please describe: If there was accident happened, the factory would make records. |  |
| F: Annual Number of work related accidents and injuries per 100 workers:<br>[(Number of work related accidents and injuries * 100) / Number of total workers]  | F1: Last year: Jan. - Dec. 2021<br>Number: Nil   | F2: This year: Jan. – Oct. 2022<br>Number: Nil |
| G: Quarterly (90 days) number of work related accidents and injuries per 100 workers:<br>[(Number of work related accidents and injuries * 100) / Number of total workers]   | Aug. – Oct. 2022:<br>Number: Nil   |  |
| H: Lost day work cases per 100 workers:<br>[(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]   | H1: Last year: Jan. - Dec. 2021<br>Nil   | H2: This year: Jan. – Oct. 2022<br>Nil         |
| I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:   | I1: 6 months<br><u>0</u> % workers   | I2: 12 months<br><u>0</u> % workers            |

|   |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months: | J1: 6 months<br><u>0</u> % workers | J2: 12 months<br><u>0</u> % workers |
|---|------------------------------------|-------------------------------------|

**0B: Management system and Code Implementation**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had established a management system to manage the social accountability issues in the factory. Management review and internal assessment system was implemented to make improvement.
2. The factory posted ETI code on board, communicated this Code to all employees by training. Based on talking with factory management and workers, they were familiar with both local laws and ETI Base Codes.
3. Mr. Chen Liangcai, manager was responsible for compliance with the local laws and Codes.

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

Details:

- A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.
- Management interview and workers interview confirmed that the factory provided training on social compliance policy and detailed requirement to them.

Any other comments:

Nil

**Management Systems:**

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

- Yes
- No

A1: Please give details: No such evidence was identified.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

- Yes
- No

B1: Please give details:

The factory had established relevant procedures about reducing the risk of forced labour, child labour, discrimination, harassment & abuse.

|  |   |
|--|---|
| <p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>  | <p>Based on document review and worker interviews, the factory had established relevant procedures about reducing the risk of forced labour, child labour, discrimination, harassment etc. and provided relevant training for workers.</p>  |
| <p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>  | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>D1: Please give details: Managers and workers have received training in the standards for forced labour, child labour, and discrimination etc.</p>   |
| <p>E: 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<br/><input type="checkbox"/> No<br/>E1: Please give details: Training materials, training records with attendees' signatures were provided, and management and workers interviewees confirmed that they received the training for the policy/procedures.</p> |
| <p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p> | <p><input type="checkbox"/> Yes<br/><input checked="" type="checkbox"/> No<br/>F1: Please give details: No such evidence was identified.</p>  |
| <p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>  | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>G1: Please give details: Factory organization chart was provided, Human Resources department was available, and the department header reported to general manager.</p>   |
| <p>H: Is there a senior person / manager responsible for implementation of the code</p>  | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>H1: Please give details: Manager was responsible for implementation of the code.</p>   |
| <p>I: Is there a policy to ensure all worker information is confidential?</p>  | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>I1: Please give details: The privacy procedures for workers' information were provided.</p>  |
| <p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>   | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>J1: Please give details: The privacy procedures for workers' information were provided.</p>  |
| <p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>   | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>K1: Please give details: Risk assessment records for policy and procedure were provided.</p>   |
| <p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>                  | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>L1 Please give details: Corrective action was</p>  |

|   |  |
|---|--|
|   | implemented and verified, and records were provided.   |
| M: Does the facility have a policy/code which require labour standards of its own suppliers?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>M1: Please give details: The factory had established suppliers' management procedure, and communicated the policy to all suppliers.  |
| <b>Land rights</b>  |  |
| N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N1: Please give details: The factory rented these areas from another company, and the lease contract and the building construction inspection certificate was provided for review. |
| O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>O1: Please give details: The admin. Department was responsible for conducting legal due diligence.   |
| P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>P1: If yes, how does the company obtain FPIC:  |
| Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>Q1: Please give details: No such evidence was identified.  |
| R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>R1: Please give details:<br>No such evidence was identified.   |
| S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>S1: Please give details:<br>No such evidence was identified.   |

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements  
 NC against customer code:  
 None observed.

NC against Local Law

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
 None observed.

**Local law and/or ETI requirement:**

**Recommended corrective action:**

**Observation:**

**1. Description of observation:**

SAQ was not completed at the time of Audit.

**Local law or ETI requirement:**

**Additional Elements** 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

**Comments:**

Factory should complete SAQ properly.

**Objective evidence observed:**

1. Management interview/ document review

**Good Examples observed:**

Description of Good Example (GE):  
 None observed.

**Objective evidence observed:**

None observed.



**1: Freely Chosen Employment**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory rules and policies showed that employees could be freely resignation after communication with management in advance 30 days. No deposit would be required.
2. There was a non-formalised application procedure which states that workers must present their IDs for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook was given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office.

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

Details:

- Based on interview with the management and workers, employees could be freely resignation after communication with management in advance. They did not require lodging their identity papers to the factory. And no deposit was required during the requirement.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no forced, bonded or involuntary prison labour identified.
- Personnel files (all were checked)
- Resignation records
- Factory rules
- Employee handbook

Any other comments:

Nil

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

|  |  |
|--|--|
| <p>C: Is there any evidence of retention of wages /deposits</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 C1: If yes, please give details and category of worker affected:</p>  |
| <p>D: Are there any restrictions on workers' freedom to terminate employment?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 D1: Please describe finding:<br/>                 There are no any restrictions on workers' freedom to terminate employment</p>   |
| <p>E: If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement'?</p> | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <input checked="" type="checkbox"/> Not applicable<br/>                 E1: Please describe finding:</p>   |
| <p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 F1: Please describe finding:<br/>                 No such evidence was identified.</p>  |
| <p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <input type="checkbox"/> Not applicable<br/>                 G1: If yes, please give details and category of workers affected:<br/>                 The factory had established controlling procedure for its suppliers, communicated the anti-policy forced / trafficked / bonded labour policy with its employees and suppliers, and conducted regular onsite assessment for its suppliers.</p> |
| <p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 H1: Please describe finding:<br/>                 The factory had established anti-forced/trafficked labour policy, communicated the policy with its employees, and conducted regular internal audit to assure that there was no forced/trafficked labour happened.</p>   |

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI       NC against Local Law:       NC against customer code:  
 None observed.

**Local law and/or ETI requirement**

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
 None observed.

**Observation:**

|  |   |
|--|---|
| <p><b>Description of observation:</b><br/>None observed.</p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b><br/>None observed.</p> |
|--|---|

**Good Examples observed:**

|  |   |
|--|---|
| <p><b>Description of Good Example (GE):</b><br/>None observed.</p> | <p><b>Objective evidence observed:</b><br/>None observed.</p> |
|--|---|

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- 1. Based on documents review, management and workers interview, it was identified that worker representatives were available, and they were elected by workers freely.
- 2. The procedure and meeting records showed that the worker representatives communicated with factory management quarterly. And relevant records were kept by the factory.
- 3. There was no trade union established in the factory.
- 4. All interviewees confirmed that they could raise their complaints to the workers representatives, suggestion box or boss directly.

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

Details:

- Complaint & handling record.
- Freedom of Association policies.
- Meeting minutes of the workers committee meeting.
- Selection program and records.

Any other comments:

Nil

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

|  |  |  |
|--|--|--|
| worker's committee?  | <input checked="" type="checkbox"/> No   |  |
| D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)     | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: Please give details:<br>Suggestion box, worker representatives or report to boss directly<br><br>D2: Is there evidence of free elections?<br><input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |  |
| E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please give details: Factory provided adequate facilities to worker representatives to have meeting.   |  |
| F: Name of union and union representative, if applicable:  | No trade union was established in the factory, and worker representatives were available in the factory.   | F1: Is there evidence of free elections?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |
| G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?  | Worker representatives<br><br>Workers could raise their complaint to the worker representatives, suggestion box or reflect to boss directly.   | G1: Is there evidence of free elections?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| H: Are all workers aware of who their representatives are?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | Based on worker interviews, workers knew their representatives, e.g. Huang Xiaoling  |
| I: Were worker representatives freely elected?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | I1: Date of last election: August 17, 2021   |
| J: Do workers know what topics can be raised with their representatives?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Based on workers interview, workers could raise their any concerns, suggestion or grievance to the worker representatives. For example, some workers reported to worker representative that workers often put their drinking cups everywhere in workshop, and hope factory could provide a shelf to store the cups. The factory management adopted the opinion, and made improvement. |  |
| K: Were worker representatives/union representatives interviewed?  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>If <b>Yes</b> , please state how many:<br>One worker representative was interviewed.  |  |
| L: Please describe any evidence that union/worker's committee is effective?<br><i>Specify date of last meeting; topics covered; how minutes were</i> | The meeting records were kept by the factory. For example, according to the latest records, the meeting was held on October 11, 2022, worker representatives reported that some workers often put their drinking cups everywhere in workshop, and hope factory could provide a shelf to store the cups. The factory management   |  |

|  |  |  |
|--|--|--|
| communicated etc.  | adopted the opinion, and made improvement.   |  |
| M: Are any workers covered by Collective Bargaining Agreement (CBA)?                     | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                  |  |
| If <b>Yes</b> , what percentage by trade Union/worker representation                     | M1: ___% workers covered by Union CBA  | M2: ___% workers covered by worker rep CBA |
| M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A, there was no CBA |  |

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

| Observation:  |  |
|---|--|
| <p><b>Description of observation:</b><br/>                     None observed.</p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b><br/>                     None observed.</p> |

| Good examples observed:   |  |
|---|--|
| <p><b>Description of Good Example (GE):</b><br/>                     None observed.</p> | <p><b>Objective Evidence Observed:</b><br/>                     None observed.</p> |

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

1. General Health and Safety management
  - 1.1 The factory had established health and safety policy.
  - 1.2 The factory had set up an EHS committee, as per the organizational structure, one management level staff was appointed as the responsible person for health and safety.
  - 1.3 Meeting minutes showed that the EHS committee held regular meeting with factory top management.
  - 1.4 Potable water was provided for workers at each workshop. Based on workers interview, they could access the potable water freely during working time.
  - 1.5 Based on observation on site, the air quality and lighting were acceptable at each workshop.
  - 1.6 Based on observation on site, the toilets were clean and with running water.
2. Fire safety
  - 2.1 Adequate extinguishers, fire hydrants, and fire alarm were installed in the factory.
  - 2.2 Check records of firefighting equipment were available on site, it was identified that all firefighting equipment were checked by safety guards monthly and were in good condition.
  - 2.3 There were at least two exits at each floor. All fire exits and escape routes were unblocked and unlocked, enough emergency lights and evacuation indication were available.
  - 2.4 Fire drill records with photos showed that the factory conducted fire drill twice per year, covering the use of the fire extinguisher system and evacuation exercise.
3. Machinery/Facility/Electrical safety
  - 3.1 All machines/facilities were maintained in good condition.
  - 3.2 No exposed wires or bad practice for using electric was identified.
  - 3.3 There was one electrician in the factory. The certificate was provided by the factory for review during the audit.
4. Chemical safety
  - 4.1 No Chemicals were used during processing.
5. Site permit/certificate

5.1 The factory provided the fire safety certificate and structure safety certificate of factory building for review.

6. Medical/First aid/Personnel Protective Equipment

6.1 Accident records were kept and provided for review. It was identified that no significant accident was occurred in the factory. For any accident, the factory had conducted root cause analysis / corrective actions / preventive actions.

6.2 Sufficient trained first aid personnel were available in the factory, the certificates of first aider were provided for review.

6.3 Based on observation on site, first aid kit with adequate medicines was available onsite.

6.4 Personnel protective equipment was provided for workers free of charge.

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

Details:

- Health and safety policy
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Building structure safety certificate
- Accident reports
- Onsite tour
- Interviews with H&S manager/HS committee member

Any other comments:

Nil

|   |   |
|---|---|
| <p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 A1: Please give details:<br/>                 General Health &amp; Safety and occupational Health &amp; Safety policies and procedures were provided, and training records were kept by the factory.</p> |
| <p>B: Are the policies included in workers' manuals?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 B1: Please give details: General Health &amp; Safety and occupational Health &amp; Safety policies and procedures were included in worker's manual.</p>  |
| <p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                 C1: Please give details: No such evidence was identified.</p>  |
| <p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 D1: Please give details:<br/>                 Auditor was informed on H&amp;S and factory provided proper personal protective equipment to auditor before entering the workshops.</p>                    |



|   |  |
|---|--|
| <p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>           | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> <p>E1: Please give details:</p> <p>No legal requirement for this kind of industry.</p>   |
| <p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>F1: Please give details: First aid box and first aider were available onsite.</p>   |
| <p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> <p>G1: Please give details:<br/> Workers lived near the factory.</p>   |
| <p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>H1: Please give details:<br/> N/A, no dormitory was provided for workers.</p>  |
| <p>I: Are H&amp;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<br/> <input type="checkbox"/> No</p> <p>I1: Please give details: Risk assessment report or corrective action report was provided, and factory took proper action to reduce identified risk.</p> |
| <p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>J1: Please give details: The factory obtained all legally required permits on environment.</p>  |
| <p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>K1: Please give details: The factory met with customer's requirement on environment standard, and no banned chemicals was used.</p>                     |

**Non-compliance:**

**1. Description of non-compliance:**

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

Through factory tour and worker interview, it was noted that proper personnel protective equipment such as earplug was provided for workers, however, 2 out of 2 randomly selected workers at injection section on 1F of production building didn't wear earplug when using injection machine.

**Local law and/or ETI requirement**

**Safety Manufacturing Law article 42:** Manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.

**ETI Base Code 3.1**

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

**Recommended corrective action:**

Factory should supervise and train employees to wear and use personal protective equipment correctly.

**2. Description of non-compliance:**

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

Through factory tour and management interview, it was noted that no warning sign was marked on 1 out of 4 randomly selected electric panels at injection section on 1F of production building. B

**Local law and/or ETI requirement:**

**Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, article 4.2.3, warning sign, form 2, 2-7,** electric shock warning sign set up scope and location: electricity devices and circuit where electric shock may happen.

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

**Recommended corrective action:**

Factory should clear mark all electric panels to avoid electric shock.

**Objective evidence observed:**

*(where relevant please add photo numbers)*

1. Factory tour/ worker interview

Photos NC#1 & NC#2

2. Factory tour/ management interview

Photo NC#3

| Observation:  |   |
|---|---|
| <b>Description of observation:</b><br>None observed.<br><br><b>Local law or ETI requirement:</b><br><br><b>Recommended corrective action:</b> | <b>Objective evidence observed:</b><br>None observed. |

| Good Examples observed:                                    |   |
|--|---|
| <b>Description of Good Example (GE):</b><br>None observed. | <b>Objective Evidence Observed:</b><br>None observed. |

**4: Child Labour Shall Not Be Used**

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had established policy and procedure on prohibiting child labour.
2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify their ages.
3. Based on documents review, the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour was identified in the factory. The youngest worker was 31 years old.

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

Details:

- Recruitment policies.
- Employees' personal files/ Employment registration/roster.

Any other comments: Nil

|  |  |
|--|--|
| A: Legal age of employment:  | 16 years old   |
| B: Age of youngest worker found:   | 31 years old   |
| C: Are there children present on the work floor but not working at the time of audit?                                  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |
| D: % of under 18's at this site (of total workers)   | 0%   |
| E: Are workers under 18 subject to hazardous work assignments?<br><a href="#">(Go to clause 3 – Health and Safety)</a> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>E1: If yes, give details: There was no worker under 18 years old in the factory. |

**Non-compliance:**

**1. Description of non-compliance:**

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

None observed.

**Local law and/or ETI requirement:**

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

None observed.

**Observation:**

**Description of observation:**

None observed.

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

None observed.

**Good Examples observed:**

Description of Good Example (GE):

None observed.

**Objective Evidence Observed:**

None observed.

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The wages were calculated by factory accountant, and the wage calculation period was natural monthly calendar.
3. All workers were paid by hourly rate, and the wages were paid in cash by the end of next month. Payment slip was given to workers.
4. The wages consist of basic wage, legal overtime premium, position allowance, meal and accommodation allowance, and a fixed amount of full attendance award.
5. All legal benefits such as social insurance, paid annual leave, marriage & funeral leave and maternity leave etc. were provided for all eligible workers.
6. Based on factory rules review, if the factory rules were broken, relevant workers would be warned, fired and trained.
7. All interviewed workers confirmed the above.

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

**Details:**

- Attendance records: October 2021 to November 27, 2022
- Payrolls records: October 2021 to September 2022
- Leave records
- Social insurance and payment receipts from the local labour department
- Labour contracts for all employees
- Resignation records
- Payslips of all workers interviewed

**Any other comments:**

Nil

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI       NC against Local Law       NC against customer code:  
None observed.

**Local law and/or ETI requirement:**

**Recommended corrective action:**

**Objective evidence observed:**  
(where relevant please add photo numbers)  
None observed.

**Observation:**

**Description of observation:**  
None observed.

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**  
None observed.

**Good Examples observed:**

Description of Good Example (GE):  
None observed.

**Objective Evidence Observed:**  
None observed.

**Summary Information**

| Criteria  | Local Law<br>(Please state legal requirement)   | Actual at the Site<br>(Record site results against the law)                   | Is this part of a Collective Bargaining Agreement?                            |
|---|---|---|---|
| A: Standard/Contracted work hours:<br>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month) | Legal maximum:<br>8 hours/day<br>40 hours/week  | A1:<br>8 hours/day<br>40 hours/week   | A2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |
| B: Overtime hours:<br>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)  | Legal maximum:<br>3 hours/day<br>36 hours/month | B1:<br>Maximum at the site:<br>2 hours/day<br>14 hours/week<br>42 hours/month | B2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |
| C: Wage for standard/contracted hours:<br>(Minimum legal and actual minimum wage at site, please state if possible per hr, day,                               | Legal minimum:                                  | C1:   | C2:<br><input type="checkbox"/> Yes   |

|  |   |  |   |
|--|---|--|---|
| week, and month)   | Before Dec. 01, 2021:<br>RMB1720/month<br>RMB9.89/hour<br><br>Since Dec. 01, 2021:<br>RMB1900/month<br>RMB10.92/hour  | Before Dec. 01, 2021:<br>RMB1800/month<br>RMB10.34/hour<br><br>Since Dec. 01, 2021:<br>RMB1900/month<br>RMB10.92/hour  | <input checked="" type="checkbox"/> No  |
| D: Overtime wage:<br>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month) | Legal minimum:<br><br>Before Dec.01, 2021:<br>RMB14.84/hour on weekday<br>RMB19.78/hour on rest days<br>RMB29.67/hour on holidays<br><br>Since Dec.01, 2021:<br>RMB16.38/hour on weekday<br>RMB21.84/hour on rest days<br>RMB32.76/hour on holidays | D1:<br><br>Before Dec.01, 2021:<br>RMB15.51/hour on weekday<br>RMB20.68/hour on rest days<br>No overtime on holidays<br><br>Since Dec.01, 2021:<br>RMB16.38/hour on weekday<br>RMB21.84/hour on rest days<br>No overtime on holidays | D2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |

| <b>Wages analysis:</b><br><a href="#">(Click here to return to Key Information)</a>  |  |  |
|--|--|--|
| A: Were accurate records shown at the first request?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |  |
| A1: If <b>No</b> , why not?  | N/A  |  |
| B: Sample Size Checked<br>(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) | 12 workers' records from most current month of September 2022<br>12 workers' records from July 2022(random month)<br>12 workers' records from October 2021(random month) |  |
| C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | C1: If <b>Yes</b> , please give details:   |
| D: If there are different legal minimum grades, are all workers graded and paid correctly?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> N/A   | D1: If <b>No</b> , please give details:  |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above  | <input type="checkbox"/> Below legal min<br><input checked="" type="checkbox"/> Meet<br><input checked="" type="checkbox"/> Above  | E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i><br><br>Before Dec. 01, 2021: |



|  |   |  |  |
|--|---|--|--|
| <p>the legal minimum?</p>  |   | <p>RMB1800/month<br/>RMB10.34/hour</p> <p>Since Dec. 01, 2021:<br/>RMB1900/month<br/>RMB10.92/hour</p> <p>The local legal minimum wage is RMB1720 per month before Dec. 2021 and RMB1900 per month since Dec. 2021, the wage paid by the factory is RMB1800 per month before Dec. 2021 and RMB1900 per month since Dec.2021, that means the minimum wage is above local legal before Dec 2021 and meet the minimum wage since Dec. 2021.</p> |  |
| <p>F: Please indicate the breakdown of workforce per earnings:</p>                               | <p>F1: ___% of workforce earning under minimum wage<br/>F2: ___% of workforce earning minimum wage<br/>F3: <u>100</u>% of workforce earning above minimum wage</p>  |  |  |
| <p>G: Bonus Scheme found:<br/>Please specify details:</p>  | <p>Bonus Scheme found:<br/><i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i><br/>RMB100 per month as full attendance award, RMB1000 – 4000 per month as position allowance and meal or accommodation allowance</p> |  |  |
| <p>H: What deductions are required by law e.g. social insurance?<br/>Please state all types:</p> | <p>Social insurance fee and personal tax.</p>   |  |  |
| <p>I: Have these deductions been made?</p>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  | <p>I1: Please list all deductions that <b>have</b> been made.</p>  | <p>1. <i>Personal tax.</i><br/>2. <i>Social insurance fee</i></p> <p>Please describe: Social insurance fee and Personal tax were deducted in payrolls.</p> |
|  |   | <p>I2: Please list all deductions that <b>have not</b> been made.</p>  | <p>1. Nil<br/>2. Nil</p> <p>Please describe: No evidence</p>   |
| <p>J: Were appropriate records available to verify hours of work and wages?</p>                  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |  |  |
| <p>K: Were any inconsistencies found? (if yes describe nature)</p>                               | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  | <p>K1: Type<br/>N/A<br/><input type="checkbox"/> Poor record keeping<br/><input type="checkbox"/> Isolated incident<br/><input type="checkbox"/> Repeated occurrence:</p>  |  |
| <p>L: Do records reflect all time worked? (For instance, are workers asked to</p>                | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |  |  |

|  |  |
|--|--|
| attend meetings before or after work but not paid for their time)  | L1: Please give details: Based on review of payroll records and worker interview, the records reflected all time worked.   |
| M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>M1: Please specify amount/time: N/A  |
| M2: If yes, what was the calculation method used.  | <input type="checkbox"/> ISEAL/Anker Benchmarks<br><input type="checkbox"/> Asia Floor Wage<br><input type="checkbox"/> Figures provided by Unions<br><input type="checkbox"/> Living Wage Foundation UK<br><input type="checkbox"/> Fair Wear Wage Ladder<br><input type="checkbox"/> Fairtrade Foundation<br>Other – please give details:<br>N/A |
| N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N1: Please give details: The factory reviewed the wages once a year.   |
| O: Are workers paid in a timely manner in line with local law?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| P: Is there evidence that equal rates are being paid for equal work:   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>P1: Please give details: Through document review and workers' interview, it was confirmed that equal rates are being paid for equal work.  |
| Q: How are workers paid:   | <input checked="" type="checkbox"/> Cash<br><input type="checkbox"/> Cheque<br><input type="checkbox"/> Bank Transfer<br><input type="checkbox"/> Other<br>Q1: If other, please explain:   |

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory.
2. The working time of workers was recorded by fingerprint system, and the factory provided the working hour records from October 2021 to November 27, 2022 for review during the audit.
3. Based on the workers' interview and working hour records provided by the factory, it was noted that workers had 0 – 2 overtime hours at night per day, occasionally 8 hours on Saturdays sometimes. So, it was noted the maximum overtime was 2.0 hours per day, 42 hours per month, and the total working hours ranged from 48~ 54 hours per week.
4. Based on the working time records from October 2021 to November 27, 2022 and workers interview, workers had at least one day off in every 7 days.

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

Details:

- Working time records: October 2021 to November 27, 2022

- Payrolls records: October 2021 to September 2022
- Factory policy on working hours
- Worker contracts
- Quality and production records to cross check hours

Any other comments: Nil

**Non-compliance:**

**1. Description of non-compliance:**

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

Through document review, management and workers interview, it was noted that monthly overtime hours exceeded the legal requirement of 36 overtime hours per month at maximum:

- 1). 10 out of 12 randomly selected workers worked 40 overtime hours in September 2022 (most recent month)
- 2). 10 out of 12 randomly selected workers worked 42 overtime hours in July 2022 (random month)
- 3). 10 out of 12 randomly selected workers worked 38 overtime hours in October 2021 (random month)

Remark:

- 1). The weekly working hours of all sampled workers ranged from 48 – 54 hours per week, and daily overtime hours ranged from 0 – 2.0 hours.

**Local law and/or ETI requirement:**

**PRC Labor Law article 41:** The employing unit may extend working hours due to production or business requirements after consultation with the trade union and workers, but the extended working hours for a day shall generally not exceed 1 hour. If such an extension is called for due to special circumstances, the extended hours shall not exceed 3 hours a day provided that the health of workers is guaranteed. However, the total extension in a month shall not exceed 36 hours.

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

**Recommended corrective action:**

Factory should reduce overtime hours to ensure they are within the legal standard.

**Objective evidence observed:**

*(where relevant please add photo numbers)*

1. Document review/ Management and workers interviews:

Photo NC #4

**Observation:**

|  |   |
|--|---|
| <p><b>Description of observation:</b><br/>None observed.</p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b><br/>None observed.</p> |
|--|---|

**Good Examples observed:**

|  |   |
|--|---|
| <p><b>Description of Good Example (GE):</b><br/>None observed.</p> | <p><b>Objective Evidence Observed:</b><br/>None observed.</p> |
|--|---|

**Working hours' analysis**

Please include time e.g. hour/week/month  
*(Go back to Key information)*

| <b>Systems &amp; Processes</b>  |  |   |                                    |                                       |                                |
|---|--|---|------------------------------------|---------------------------------------|--------------------------------|
| A. What timekeeping systems are used: time card etc.  | Describe: The working time was recorded by fingerprinting system.  |   |                                    |                                       |                                |
| B: Is sample size same as in wages section?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: If no, please give details |   |                                    |                                       |                                |
| C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No                                   | C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.<br>Please give details: |                                    |                                       |                                |
| D: Are there any other types of contracts/employment agreements used?                           | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No                                   | D1: If YES, please complete as appropriate:   |                                    |                                       |                                |
|   |  | <input type="checkbox"/> 0 hrs  | <input type="checkbox"/> Part time | <input type="checkbox"/> Variable hrs | <input type="checkbox"/> Other |
|   |  | If "Other", Please define:  |                                    |                                       |                                |

|   |  |  |
|---|--|--|
| <p>E: Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?</p> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | <p>E1: If <b>yes</b>, please detail hours, %, types of workers affected and frequency<br/>Please give details:</p>     |
| <p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?</p>                    | <p>F2: Please select all applicable:<br/> <input checked="" type="checkbox"/> 1 in 7 days<br/> <input type="checkbox"/> 2 in 14 days<br/> <input type="checkbox"/> No<br/>           If 'No', please explain:</p>  | <p>F3: Is this allowed by local law?<br/> <input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> |
|   | <p>Maximum number of days worked without a day off (in sample):</p>  |  |
|   | <p>6 days</p>  |  |
| <p><b>Standard/Contracted Hours worked</b></p>  |  |  |
| <p>G: Were standard working hours over 48 hours per week found?</p>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | <p>G1: If yes, % of workers &amp; frequency:</p>   |
| <p>H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?</p>              | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | <p>H1: If yes, please give details:</p>  |
| <p><b>Overtime Hours worked</b></p>   |  |  |
| <p>I: Actual overtime hours worked in sample (State per day/week/month)</p>   | <p>Highest OT hours:<br/>           10 out of 12 samples from most current month of September 2022<br/>           Daily OT: Max. 2.0 hours<br/>           Weekly OT: Max.14 hours<br/>           Monthly OT: Max. 40 hours</p> <p>10 out of 12 samples from July 2022(Random month):<br/>           Daily OT: Max.2.0 hours<br/>           Weekly OT: Max.14 hours<br/>           Monthly OT: Max. 42 hours</p> <p>10 out of 12 samples from October 2021(Random month)<br/>           Daily OT: Max.2.0 hours<br/>           Weekly OT: Max.14 hours<br/>           Monthly OT: Max. 38 hours</p> |  |
| <p>J: Combined hours (standard or contracted + overtime hours = total)</p>  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |

|  |  |   |
|--|--|---|
| over 60 found?<br>Please give details:   |  |   |
| K: Approximate percentage of total workers on highest overtime hours:  | 90%  |   |
| L: Is overtime voluntary?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> Conflicting Information   | <i>L1: Please detail evidence e.g., Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i><br><br>As per labor contract, payroll records and workers interview, it was noted that overtime is voluntary. |
| <b>Overtime Premiums</b>   |  |   |
| M: Are the correct legal overtime premiums paid?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> N/A – there is no legal requirement to OT premium   | <i>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:</i><br><br>150% of normal wage for overtime on workdays;<br>200% of normal wage for overtime on rest days;<br>No overtime arranged on holidays               |
| N: Is overtime paid at a premium?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | <i>N1: If yes, please describe % of workers &amp; frequency:</i><br><br>100%, monthly   |
| O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. | <input checked="" type="checkbox"/> No<br><input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)<br><input type="checkbox"/> Collective Bargaining agreements<br><input type="checkbox"/> Other  |   |
|  | O1: Please explain any checked boxes above e.g., detail of consolidated pay / CBA or Other   |   |
|  | N/A  |   |
| P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.               | <input type="checkbox"/> <b>Overtime is voluntary</b><br><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week<br><input type="checkbox"/> Safeguards are in place to protect worker's health and safety<br><input type="checkbox"/> Site can demonstrate exceptional circumstances<br><input type="checkbox"/> Other reasons (please specify) |   |
|  | P1: Please explain any checked boxes above e.g., detail of consolidated pay / CBA or other:  |   |
|  | N/A  |   |
| Q: Is there evidence that overtime hours are being   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |   |

|  |   |
|--|---|
| <p>used for extended periods to make up for labour shortages or increased order volumes?</p>   | <p>Q1: If yes, please give details:</p>   |
| <p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p> | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> |



**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had established anti-discrimination policy and procedure on 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.
2. No evidence of discrimination was found in the factory.
3. The interviewed workers and worker representative did not feedback any cases of discrimination.
4. There was no evidence of sexual harassment.
5. There was an internal grievance mechanism, all interviewed workers were aware of the grievance channel in case they encountered discrimination cases.

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

Details:

- Payrolls
- Attendance records
- Termination records
- Training records
- Worker interviews

Any other comments:

Nil

|  |   |
|--|---|
| A: Gender breakdown of Management + Supervisors (Include as one combined group)  | A1: Male: <u>100</u> %<br>A2: Female: <u>0</u> %  |
| B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:   | N/A   |
| C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?: | <input type="checkbox"/> Hiring<br><input type="checkbox"/> Compensation<br><input type="checkbox"/> Access to training<br><input type="checkbox"/> Promotion<br><input type="checkbox"/> Termination or retirement |

|  |   |
|--|---|
|  | <input checked="" type="checkbox"/> No evidence of discrimination found<br><br>C1: Please give details:<br>Based on document review, worker interview and management interview, no evidence of any discrimination was detected. |
|--|---|

| Professional Development  |  |
|---|--|
| A: What type of training and development are available for workers? | Trainings for social accountability, quality, factory rule and legal laws and EHS etc. |

|  |   |
|--|---|
| B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>If no, please give details: |
|--|---|

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

| Observation:   |   |
|--|---|
| <b>Description of observation:</b><br>None observed.<br><br><b>Local law or ETI requirement:</b><br><br><b>Comments:</b> | <b>Objective evidence observed:</b><br>None observed. |

**Good Examples observed:**

Description of Good Example (GE):  
None observed.

**Objective Evidence Observed:**  
None observed.

**8: Regular Employment Is Provided**

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

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

**ETI**

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.  
 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**Additional Elements: Responsible Recruitment**

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.  
 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.  
 8.5 Employment agencies must only supply workers registered with them.  
 8.6 Workers pay no recruitment fee at any stage of the recruitment process.  
 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had established policy/procedure on legal employment.
2. All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified.
3. Based labour document review and workers interviews, the factory had signed labour contract with all employees within one month after employment, and one copy of labour contract was issued to them.
4. No subcontractor was used by factory.

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

Details:

- Employee Manual,
- Hiring and termination procedure
- Labour contract
- Personal files
- Payroll records

Any other comments: Nil

**Non-compliance:**

**1. Description of non-compliance:**

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

None observed.

**Local law and/or ETI requirement:**

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

None observed.

**Observation:**

**Description of observation:**

None observed.

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

None observed.

**Good Examples observed:**

Description of Good Example (GE):

None observed.

**Objective Evidence Observed:**

None observed.

**Responsible Recruitment**

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

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

**Migrant Workers:**

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

|  |   |                       |
|--|---|-----------------------|
| A: Type of work undertaken by migrant workers:   | There were no migrants from different countries, but about 59% workers came from non-Guangdong province, such as Hubei, Jiangxi, Guangxi, Sichuan and Hunan province etc. The migrant workers work at the management office, injection, assembly, inspection, and packing etc. They could access any post in the factory based on their working experience, ability and aspiration. |                       |
| B: Please give details about recruitment agencies for migrant workers:   | B1: Total number of (in country recruitment agencies) used: Nil<br>B2: Total number of (outside of local country) recruitment agencies used: Nil<br>There was no recruitment agency used by the factory. All employees were hired directly by the factory.  |                       |
| C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>C1: Please describe finding:<br>N/A  | C2: Observations: N/A |
| D: Are Any migrant workers in skilled,   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |                       |

|   |   |
|---|---|
| technical, or management roles<br><br><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i> | D1: If yes, number and example of roles:<br>2<br>Roles: Supervisor, quality control |
|---|---|

### NON-EMPLOYEE WORKERS

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

| Agency Workers (if applicable)   |  |
|--|--|
| <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i> |  |
| A: Number of agencies used (average):  | A1: Names if available:<br>No agencies workers were used.          |
| B: Were agency workers' age / pay / hours included within the scope of this audit?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A |

|   |  |
|---|--|
| <p>C: Were sufficient documents for agency workers available for review?</p>                                      | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N/A                                 |
| <p>D: Is there a legal contract / agreement with all agencies?</p>  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>D1: Please give details:<br>N/A |
| <p>E: Does the site have a system for checking labour standards of agencies?<br/>If yes, please give details.</p> | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>E1: Please give details:<br>N/A |

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



**8A: Sub-Contracting and Homeworking**

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. No sub-contractor was used in the factory.
2. No homeworking was used in the factory.

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

Details:

- Site tour (Calculation on total production and estimated capacity)
- Materials in/out records
- Management interview
- Worker interviews

Any other comments: Nil

**Non-compliance:**

**1. Description of non-compliance:**

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

**Local law and/or ETI /Additional Elements requirement:**

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
 None observed.

| Observation:   |   |
|--|---|
| <b>Description of observation:</b><br>None observed.<br><br><b>Local law or ETI/Additional elements requirement:</b><br><br><b>Comments:</b> | <b>Objective evidence observed:</b><br>None observed. |

| Good Examples observed:                                    |   |
|--|---|
| <b>Description of Good Example (GE):</b><br>None observed. | <b>Objective Evidence Observed:</b><br>None observed. |

| Summary of sub-contracting – if applicable   |   |
|--|---|
| <input checked="" type="checkbox"/> Not Applicable please x  |   |
| A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>A1: Please describe:                   |
| B: If sub-contractors are used, is there evidence this has been agreed with the main client?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: If <b>Yes</b> , summarise details: |
| C: Number of sub-contractors/agents used:  |   |
| D: Is there a site policy on sub-contracting?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: If <b>Yes</b> , summarise details: |
| E: What checks are in place to ensure no child labour is being used and work is safe?  |   |

| Summary of homeworking – if applicable  |   |
|---|---|
| <input checked="" type="checkbox"/> Not Applicable please x                                   |   |
| A: If homeworking is being used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>A1: If <b>Yes</b> , summarise details: |

|   |  |             |  |
|---|--|-------------|--|
| B: Number of homeworkers  | B1: Male:  | B2: Female: | Total:                                   |
| C: Are homeworkers employed direct or through agents?                             | <input type="checkbox"/> Directly<br><input type="checkbox"/> Through Agents |             | C1: If through agents, number of agents: |
|   |  |             |  |
| D: Is there a site policy on homeworking?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No                  |             |  |
| E: How does the site ensure worker hours and pay meet local laws for homeworkers? |  |             |  |
| F: What processes are carried out by homeworkers?                                 |  |             |  |
| G: Do any contracts exist for homeworkers?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No                  |             |  |
|   | G1: Please give details:   |             |  |
| H: Are full records of homeworkers available at the site?                         | <input type="checkbox"/> Yes<br><input type="checkbox"/> No                  |             |  |

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

**ETI**

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

Additional elements:

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

|   |  |
|---|--|
| <p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>                     | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> A1: Please give details: Based on document review, management and workers interview, published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S, e.g., suggestion box, direct phone of top management</p> |
| <p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>  | <p>Based on workers interview, workers knew the channels.</p>  |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>   | <p>Suggestion box, direct phone of top management</p>  |
| <p>D: Which of the following groups is there a grievance mechanism in place for?</p>  | <p><input checked="" type="checkbox"/> Workers<br/> <input type="checkbox"/> Communities<br/> <input type="checkbox"/> Suppliers<br/> <input type="checkbox"/> Other<br/> <br/> D1: Please give details:<br/> <br/> Workers could raise their grievance to suggestion box, the workers representatives or boss directly.</p>                     |
| <p>E: Are there any open disputes?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> <br/> E1: If yes, please give details</p>   |
| <p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <br/> F1: If no, please give details</p>  |
| <p>G: Is there a published and transparent disciplinary procedure?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <br/> G1: If no, please explain</p>   |

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
2. According to the factory regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory.
3. The workers interviewed said they were never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory.
4. No evidence of harsh or inhumane treatment was found in factory rules.

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

Details:

- Factory regulations
- Hiring procedures and anti-harassment training records were checked.

Any other comments:  
 Nil

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

| Observation:   |   |
|--|---|
| <b>Description of observation:</b><br>None observed.<br><br><b>Local law or ETI requirement:</b><br><br><b>Comments:</b> | <b>Objective evidence observed:</b><br>None observed. |

| Good Examples observed:                                    |   |
|--|---|
| <b>Description of Good Example (GE):</b><br>None observed. | <b>Objective Evidence Observed:</b><br>None observed. |

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had policy on legal employment policy.
2. Through document review, workers and management interviews, it was confirmed that all employees in the factory were Chinese, there was no foreign employee hired in the factory.
3. All workers would be reviewed and validated the original documentation before they employed. The factory recruited the new workers by the advertisements or the workers' recommendation.

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

Details:

- Labour contract.
- Personnel files.
- Worker permit
- Hiring procedure.
- Worker handbook.

Any other comments:

Nil

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements  NC against Local Law

NC against customer code:

None observed.

**Local law and/or ETI /Additional Elements requirement:**

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

None observed.

| Observation:   |   |
|--|---|
| <p><b>Description of observation:</b><br/>None observed.</p> <p><b>Local law or ETI/Additional Elements requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b><br/>None observed.</p> |

| Good examples observed:  |   |
|--|---|
| <p><b>Description of Good Example (GE):</b><br/>None observed.</p> | <p><b>Objective Evidence Observed:</b><br/>None observed.</p> |



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

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

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

**B.4. Compliance Requirements**

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The facility had established environmental management system, and provided the environmental policy, procedure and documentation (such as environmental certificates, reports, and policy, goals and control records) for reviewing during the audit.
2. The facility obtained the environmental certificates and reports, e.g., Environmental Impact Registration form/EIR approval/Pollutant discharge registration form/ Boundary Monitoring report for air, waste water, and noise/Testing report for air, noise in workshop
3. The facility appointed a management level person as environmental representative to handle environmental-related matters and coordinate the facility's efforts to improve environmental performance.
4. Key environmental impact factors were identified out and controlled in the facility.
5. Hazardous waste was handled by licensed agency, relevant documents were provided for reviewing.
6. Based on interviews with the facility management and environment representative, it was confirmed that they were clearly aware of legal requirement and their end clients' environmental requirements.

And they were clearly aware of its significant environmental impact and processes and stated their pollutants such as noise, which was consistent with the environmental impact assessment report and the environmental impact assessment approval.

7. Environmental pollution emergency plan was established in the facility. The facility provided the training regarding the environmental protection policy, emergency drill to the employees regularly (i.e. upon recruitment and annually), and provided the environmental protection policy to its suppliers and asked the suppliers to read it carefully and sign the commitment agreement of complying with the facility' environmental protection policy and the national environmental laws.
8. The facility established a system to monitor its' performance against these environmental requirements. The facility's environmental representative collected the latest environmental and chemical requirements from the authorities both the end clients located countries and the facility located country (i.e. China) and from the end clients regularly through communicating with end clients or internet, then provided the trainings to both management staff and non-management employees and implemented the updated & strictest environmental and chemical standards in the facility. The facility had the internal audit team and the internal audit team conducted regular internal inspections and audits against the updated & strictest environmental and chemical requirements and standards, if any violation about environment or chemical was found, the internal audit team would analyse the root cause, take corrective and preventive actions accordingly.
9. The facility measured and monitored its environmental impact factors including monthly recording and quarterly reviews of use and discharge of natural resources, e.g. energy and water, and a matrix report was kept on file.
10. The facility made continuous improvements in their environmental performance.
11. Through viewing the local government websites and interviews with facility management, it was confirmed that the facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Details:

- All legally required environmental documents were provided for review. Such as environmental protection policy, environmental pollution emergency plan, Environmental Impact Registration form/EIR approval/Pollutant discharge registration form/Boundary Monitoring report for air, waste water, and noise/Testing report for air, noise in workshop/Matrix report on energy usage, environment training record were provided for review.
- Energy bills
- Water bill
- Site tour
- Management interview and employees' interview

Any other comments:

Nil

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements  
None observed.

NC against Local Law

**Local law and/or ETI/Additional Elements requirement:**

**Recommended corrective action:**

**Objective evidence observed:**  
*(where relevant please add photo numbers)*  
None observed.

**Observation:**

**Description of observation:**  
None observed.

**Local law or ETI/Additional elements requirements:**

**Comments:**

**Objective evidence observed:**  
None observed.

**Good examples observed:**

Description of Good Example (GE):  
None observed.

**Objective Evidence Observed:**  
None observed.

| <b>Environmental Analysis</b><br><i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>   |  |
|---|--|
| A: Is there a manager responsible for Environmental issues (Name and Position):   | Mr. Yan Xiaoxin, administration supervisor   |
| B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>B1: Please give details: Risk assessment report on the environment impact was provided for review.  |
| C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>C1: Please give details: No such certification was identified.  |
| D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>D1: If yes, is it publicly available?<br>Yes, the policy was displayed in the factory   |
| E: If yes, does it address the key impacts from their operations and their commitment to improvement?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>E1: Please give details: The identification report for key impacts was provided for review, and factory had addressed the key impacts.                            |
| F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |
| G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>G1: Please give details: No any other sustainability system was identified.   |
| H: Have all legally required permits been shown? Please give details.   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>H1: Please give details: The facility had provided Environmental Impact Assessment report/EIA approval/ Pollutant discharge registration for review               |
| I: 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"/> N/A<br>I1: Please give details: No chemicals were used during processing.   |
| J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>J1: Please give details: The factory had established procedure to control the banning and restricting chemical substances according to client's ROHS requirements |
| K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>K1: Please give details: The report related to reduction target for environmental aspects e.g. water consumption, power, paper and discharge                      |

|   |  |
|---|--|
|   | was provided for review.   |
| L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>L1: Please give details: Factory had the evidence of waste recycling and is monitoring volume of waste that is recycled, as listed in below table.  |
| M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?                                     | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>M1: Please give details: Factory installed meters for measuring water and electric  |
| N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>N1: Please give details: Factory conducted annually onsite assessment for its suppliers to check if they had the appropriate permits and licences and are conducting business in line with environmental expectations of the facility |

**Usage/Discharge analysis**

| Criteria  | Previous year: Please state period:<br><u>Jan. – Dec. 2021</u>      | Current Year: Please state period:<br><u>Jan. – Oct. 2022</u>       |
|---|---|---|
| Electricity Usage:<br><i>Kw/hrs</i>   | 39,241Kw/hrs  | 33,746 Kw/hrs   |
| Renewable Energy Usage:<br><i>Kw/hrs</i>  | N/A   | N/A   |
| Gas Usage:<br><i>Kw/hrs</i>   | N/A   | N/A   |
| Has site completed any carbon Footprint Analysis?   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If <b>Yes</b> , please state result   | N/A   | N/A   |
| Water Sources:<br><i>Please list all sources e.g. lake, river, and local water authority.</i> | Local water authority   | Local water authority   |
| Water Volume Used:<br><i>(m<sup>3</sup>)</i>  | 887 m <sup>3</sup>  | 735 m <sup>3</sup>  |
| Water Discharged:<br><i>Please list all receiving waters/recipients.</i>                      | Municipal sewage network  | Municipal sewage network  |
| Water Volume Discharged:<br><i>(m<sup>3</sup>)</i>  | 887 m <sup>3</sup>  | 735 m <sup>3</sup>  |
| Water Volume Recycled:<br><i>(m<sup>3</sup>)</i>  | 0 m <sup>3</sup>  | 0 m <sup>3</sup>  |
| Total waste Produced  | 3,050 kg  | 2,174 kg  |

|   |                |                |
|---|----------------|----------------|
| <i>(please state units)</i>                                     |                |                |
| Total hazardous waste Produced:<br><i>(please state units)</i>  | 50 kg          | 50 kg          |
| Waste to Recycling:<br><i>(please state units)</i>              | 850 kg         | 320 kg         |
| Waste to Landfill:<br><i>(please state units)</i>               | 0              | 0              |
| Waste to other:<br><i>(please give details and state units)</i> | No information | No information |
| Total Product Produced<br><i>(please state units)</i>           | 600,000 pieces | 500,000 pieces |

**10C: Business Ethics – 4-Pillar Audit**

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory established a Business Ethics policy concerning bribery, corruption and unethical Business Practice.
2. The factory established a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics.
3. Mr. Chen Liangcai, manager was designated to be responsible for implementing standards concerning Business Ethics
4. No negative evidence was identified during the audit

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

Details:

- Document examined
- Management interview

- Worker interviews

Any other comments:  
Nil

**Non-compliance:**

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

**Observation**

|  |   |
|--|---|
| <p><b>Description of observation:</b><br/>None observed.</p> <p><b>Local law or ETI/Additional elements requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b><br/>None observed.</p> |
|--|---|

**Good examples observed:**

|  |   |
|--|---|
| <p><b>Description of Good Example (GE):</b><br/>None observed.</p> | <p><b>Objective Evidence Observed:</b><br/>None observed.</p> |
|--|---|

|  |   |
|--|---|
| <p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p> | <p><input checked="" type="checkbox"/> Internal Policy<br/><input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: Both the internal policy and policy for third parties including suppliers were available, and factory provided all employees with the training on the Business Ethics Policy.</p> |
| <p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>                                    | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No</p> <p>B1: Please give details: Training records were provided for</p>   |



|   |   |
|---|---|
|   | review.   |
| C: Is the policy updated on a regular (as needed) basis?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>C1: Please give details: The policy was reviewed once a year, and would be updated as needed.   |
| D: Does the site require third parties including suppliers to complete their own business ethics training | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>D1: Please give details: Based on manager interview, factory required their third parties including suppliers to complete their own business ethics training. |

**Other Findings Outside the Scope of the Code**

None observed.

**Community Benefits**

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*



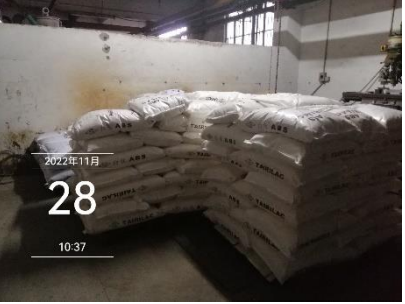
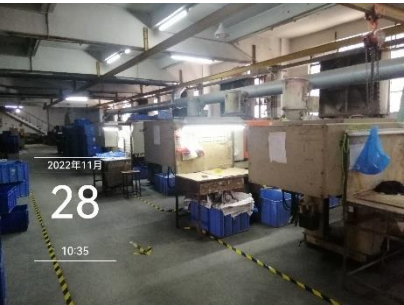
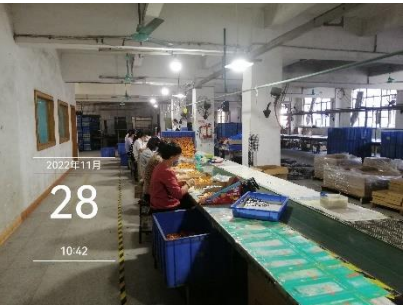




None observed.

## Appendix 1




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


Not Applicable please x

## Photo Form




|   |  |   |
|---|--|---|
|    |    |    |
| <p>Gate of factory</p>  | <p>Production building</p>   | <p>Raw materials storage</p>  |
|   |   |   |
| <p>Injection</p>  | <p>Assembly</p>  | <p>Packing</p>  |
|  |  |  |
| <p>Finished goods storage</p>   | <p>Emergency light &amp; exit sign</p>   | <p>Evacuation map</p>   |

|  |   |  |
|--|---|--|
|  <p>2022年11月<br/>28<br/>10:56</p> |  <p>2022年11月<br/>28<br/>10:40</p> |  <p>2022年11月<br/>28<br/>10:41</p> |
| <p>Fire hydrant</p>  | <p>Fire extinguishers</p>   | <p>Evacuation indicator</p>  |

|  |   |  |
|--|---|--|
|  <p>2022年11月<br/>28<br/>10:56</p> |  <p>2022年11月<br/>28<br/>10:22</p> |  <p>2022年11月<br/>28<br/>10:42</p> |
| <p>Fire alarm</p>  | <p>Emergency assembly point</p>   | <p>First aid box</p>   |

|  |   |  |
|--|---|--|
|  <p>2022年11月<br/>28<br/>10:35</p> |  <p>2022年11月<br/>28<br/>10:42</p> |  <p>2022年11月<br/>28<br/>10:37</p> |
| <p>Suggestion box</p>  | <p>Drinking area</p>  | <p>Electric panel</p>  |

**NC photos:**

|  |   |  |
|--|---|--|
|  <p>2022年11月<br/>28<br/>10:36</p> |  <p>2022年11月<br/>28<br/>10:35</p> |  <p>2022年11月<br/>28<br/>10:36</p> |
| <p>NC#1: Not wearing earplug</p>   | <p>NC#2: Not wearing earplug</p>  | <p>NC#3: No warning sign</p>   |

|                                   |            |            |
|-----------------------------------|------------|------------|
|                                   | <p>Nil</p> | <p>Nil</p> |
| <p>NC#4: Excessive monthly OT</p> | <p>Nil</p> | <p>Nil</p> |



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

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

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[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

**[Click here for Auditors:](#)**

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