



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1089983	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 5007628
Business name (Company name):	Zhongshan Huaxing Lighting Co., Ltd 中山市华星灯饰照明有限公司		
Site name:	Zhongshan Huaxing Lighting Co., Ltd 中山市华星灯饰照明有限公司		
Site address: <i>(Please include full address)</i>	No.1 Dong Fang Dong Road, Guer Village, Guzhen Town, Zhongshan City, Guangdong Province 中山市古镇镇古二村东方东路 1 号	Country:	China
Site contact and job title:	Mr. Su Chengcong / Quality Supervisor		
Site phone:	86-15800198362	Site e-mail:	Jasmine@huaxinglighting.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:	July 21, 2021		

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

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.

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

Lead auditor: Benny Jin APSCA number: CSCA21701343
Lead auditor APSCA status: In Good Standing
Team auditor: Lisa Chen APSCA number: ASCA21701325
Interviewers: Benny Jin/Lisa Chen APSCA number: CSCA21701343/
ASCA21701325

Report writer: Benny Jin

Report reviewer: Jessie Dong

Date of declaration: July 21, 2021

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	None observed
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	NC: <ul style="list-style-type: none"> Insufficient first aid kit in the production area. Occupational health check was not provided to employees handling hazard materials. Training certificate of the safety production management personnel was expired.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
5. Living Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: Monthly overtime hours worked in excess of the statutory overtime hour limits.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	N/A
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed

General observations and summary of the site:

Site Summary

- The product manufactured at this site is lights.
- Overall responsibility for meeting the standards is taken by Mr. Su Chengcong / Quality Supervisor.
- There are a total of 46 employees on site.

- The youngest worker on site was 22 years old.
- There was a worker committee established at this factory, no worker union was in place.
- There is evidence of both male and female in management and among supervisor.
- Per management representation, peak season was not obvious in the factory.
- No subcontractor or home worker was used by the factory.
- Total 14 workers were interviewed as 1 group of 4 and 10 individually.
- 10 records to show wages and working hours were taken from June 2021, January 2021 and August 2020 respectively.
- All the sampled employees were properly paid for their working time and overtime on the payroll record.
- Standard hours on site were in average 8 hours/day and 40 hours/week.
- They enjoyed the work and stated it was a friendly environment. Pay was always accurate. No issues with the pay slips were noted. Also, they stated that they felt comfortable in approaching with any concerns they had.

**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:	Zhongshan Huaxing Lighting Co., Ltd 中山市华星灯饰照明有限公司																						
B: Site name:	Zhongshan Huaxing Lighting Co., Ltd 中山市华星灯饰照明有限公司																						
C: GPS location: (If available)	GPS Address: No.1 Dong Fang Dong Road, Guer Village, Guzhen Town, Zhongshan City, Guangdong Province	Latitude: N 22°63'65'' Longitude: E 113°19'23''																					
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License: 91442000712314307Q Validity day: From April 8, 1995 to long-term																						
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Lights / Wax putting, waxing molding, water filling, assembly and packing																						
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The factory was established on April 8, 1995 under business license # 91442000712314307Q</p> <p>With regards to facilities, the factory occupied the 3rd to 6th floor of A part and the 3rd to 6th floor of B part of one 6-storey building (Part A and part B belonged to the same building and connected with sky bridge; the 1st/2nd floor of part A and the 1st floor of part B were shops and stores, 2nd floor of part B was rent to another factory by house owner). The total land area was about 11,500 square meters.</p> <p>The factory had a total of 46 employees, including 5 management employees and 41 production employees, 23 male and 23 female employees. No migrant worker from other countries was found. The youngest employees in the factory were 22 years old.</p> <table border="1"> <thead> <tr> <th>Production Building No. A</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Shops and stores</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>Shops and stores</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>Assembling workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 4</td> <td>Accessory warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 5</td> <td>Office</td> <td>Nil</td> </tr> <tr> <td>Floor 6</td> <td>Glazed material warehouse</td> <td>Nil</td> </tr> </tbody> </table>		Production Building No. A	Description	Remark, if any	Floor 1	Shops and stores	Nil	Floor 2	Shops and stores	Nil	Floor 3	Assembling workshop	Nil	Floor 4	Accessory warehouse	Nil	Floor 5	Office	Nil	Floor 6	Glazed material warehouse	Nil
Production Building No. A	Description	Remark, if any																					
Floor 1	Shops and stores	Nil																					
Floor 2	Shops and stores	Nil																					
Floor 3	Assembling workshop	Nil																					
Floor 4	Accessory warehouse	Nil																					
Floor 5	Office	Nil																					
Floor 6	Glazed material warehouse	Nil																					

	Is this a shared building?	Yes	Nil
	Production Building No. B	Description	Remark, if any
	Floor 1	Shops and stores	Nil
	Floor 2	Zhongshan Xincheng	Rent to "Zhongshan Xincheng" since December 2020 by house owner.
	Floor 3	Filling and packing workshop	Nil
	Floor 4	Accessory warehouse	Nil
	Floor 5	Finished products warehouse	Nil
	Floor 6	Glazed material warehouse	Nil
	Is this a shared building?	Yes	Nil
	<p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: There was no visible structural integrity issues (large cracks) observed</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: The site did not have a structural engineer evaluation.</p>		
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		
H: Month(s) of peak season: (if applicable)	Not obvious		
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	The factory specialized in the manufacture of Lights. The main production activities included Wax putting, waxing molding, water filling, assembly and packing. There were 6 production		

	lines in the factory. The main equipment used for production was Sealing machines, Water adjusting machines, Steam wax machines and Stirring machines.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No NA N1: If no, please give details

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:00 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	2 (two auditors for one day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Su Chengcong / Quality Supervisor		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	January 21, 2021		
J: Previous audit type:	Partial Follow-Up		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No worker union was 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	10	0	0	10	0	0	0	20
Worker numbers – female	7	0	0	14	0	0	0	21
Total	17	0	0	24	0	0	0	41
Number of Workers interviewed – male	3	0	0	4	0	0	0	7
Number of Workers interviewed – female	3	0	0	4	0	0	0	7
Total – interviewed sample size	6	0	0	8	0	0	0	14



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: N/A No peak season in the facility</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u></p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: <u>100%</u> hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: <u>100%</u> monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



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

14 employees were interviewed. In the interview process, all employees are natural and frank, no hint of coaching by management was noted. The workers' attitudes to factory management were favorable. They were satisfied with the working condition and the management's behaviors. No negative information was raised.

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

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

The worker representatives are satisfied with the working condition, working hours and factory management. No complaint was raised during interview.

O: Attitude of managers:

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

During the opening meeting, auditor explained the audit scopes and audit standards to the factory management, factory management showed cooperation and transparency during the visit. Auditor gained full access to factory tour, document review and interviews with management members and workers, a full audit was finished as scheduled. During the factory tour, management was willing to open the places which were locked before auditor accessing. Factory management also allowed auditor to select the samples and interview production workers in a private and confidential manner.

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 policy and written procedures for human rights were set up in the factory. It was communicated to their suppliers and their owned partners.
2. The relevant framework and commitment were made. Mr. Liu Zaiqiu/ Vice General Manager was responsible for compliance with the code.
3. The Human Rights issues record was shown that the policy has been communicated to the workers and suppliers.
4. The factory provided a grievance system. It had a transparent and well-communicated system in place to enable the workers and suppliers to report to the company on Human Rights issues without fear of reprisals towards the reporters.

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

Details:

1. Management interview
2. Training records on Human Rights/Social compliance
3. Worker interview
4. Social compliance and Human Rights policy and procedures review
5. Grievance mechanism policy

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Written policies and procedures on labour right were established and implemented in the factory, factory management signed commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Liu Zaiqiu Job title: Vice general manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Suggestion box was set in a confidential place for employees to reporting differing opinion without fear of reprisals.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory keeps effective data privacy for worker's information.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/></p> <p>Description of observation: None observed</p>	<p>Company NC <input type="checkbox"/></p>	<p>Objective evidence observed: Not applicable</p>

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: _5_ %	A2: This year _5_ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	4%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: _0_ %	C2: This year _0_ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The factory has Injury Procedure and the record showed that no injury accident has happened.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2020 Number: 0	F2: This year: 2021 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers
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0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

- The factory implemented and maintained systems for delivering compliance to this Code.
- Mr. Liu Zaiqiu / Vice general manager was responsible for compliance with the Code.
- The factory communicated this Code to all employees by training as confirmed by training records and worker interviews.

During the audit, auditor reviewed the time and payroll records provided by factory management and crosschecked these records with other time-related records such as daily production records, QC records, materials delivery records and interviewed 14 selected employees to verify the authenticity of the payroll and time records provided by factory management. No inconsistencies were noted between the records reviewed and employee interview results.

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

Details:

- Management interview
- Training records on Human Rights/Social compliance
- Worker interview
- Social compliance policy and procedures, and Human Rights policy review
- Business licenses and land certificate.

Any other comments:
Nil

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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	A1: Please give details: No fine or prosecution noted in the last 12 months.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Sufficient procedures had been established to prevent forced labour, child labour, discrimination, harassment and abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The relevant policy existed and aimed to control to reduce the risk.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Training regarding to forced labour, child labour, discrimination, harassment & abuse were held regularly.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Responsibility for meeting the legal and client code requirements was taken by the HR department and the Factory Manager. Together they were responsible to the factory manager for ensuring the standards are met.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details:
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Human Resource officer as well as department available in the factory.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Liu Zaiqiu / Vice general manager
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The worker's information was kept confidentially.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: HR Department controlled all confidential information.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	K1: Please give details: Comprehensive risk assessment was conducted and written records were maintained for review.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: Comprehensive risk assessment was conducted in the factory and necessary action plans were available to reduce the risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory has a policy/code system which requires labour standards of its own suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory provided required land rights licenses and permission 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 type="checkbox"/> Yes <input type="checkbox"/> No Not applicable O1: Please give details: No land title in China nowadays.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The FPIC was usually obtained by the government as the land acquisition was done by the government.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The factory provided land rights license and permissions for review.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A. Facility had no right of land acquisition in China.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	S1: Please give details: There was no evidence of illegal appropriation of land for facility building or expansion of footprint.
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Non-compliance:		
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None observed	<input type="checkbox"/> NC against Local Law	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

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

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

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

Details:

1. Factory rules
2. Employee handbook
3. Personnel files
4. Resignation / termination records
5. Labour contracts
6. Management and worker interview
7. Wages and hours records
8. Disciplinary records

Any other comments:

Nil

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

<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:</p>
<p>E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: Not applicable in this factory.</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Employees could leave the factory at the end of the work day freely and not be restricted. No such restriction on workers' freedom was noted.</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 <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: Factory forbade its supply chain involving in any activity of forced / trafficked / bonded labour.</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 <input type="checkbox"/> No H1: Please describe finding: Factory would terminate corporation with its supply chain if any forced / trafficked / bonded labour issue noted.</p>

Non-compliance:	
<p>Description of non-compliance: None observed</p>	<p>Objective evidence observed: Not applicable</p>

Observation:	
<p>Description of observation: None observed</p>	<p>Objective evidence observed: Not applicable</p>

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

There is no union, but worker committee was established at the site. According to workers' interview, they were free to join organizations of their own choice, the factory management recognized and respected their rights to freedom of association and collective bargaining, and the factory were not subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

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

Details:

- 1. Management interview
- 2. Worker interview
- 3. Suggestions from the suggestion box and actions
- 4. Worker committee meetings and elections records
- 5. Notices
- 6. Policy on Freedom of Association and Collective Bargaining
- 7. Personal files

Any other comments:

Nil

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

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

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

- Yes
- No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training, communication meeting, suggestion box and hotline were provided.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker Committee	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Mr. Cao Jianhua, Mr. Tang Haigao & Ms. Xiao Xirong
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 2021/4/27
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The lasting meeting was held on 2021/05/03 and the topic was about the duty of the worker representatives. 30 minutes were communicated.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	
If Yes , what percentage by trade Union/worker representation	M2: __N/A__% workers covered by worker rep CBA	M2: __N/A__% workers covered by worker rep CBA

M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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Non-compliance:	
Description of non-compliance: None observed	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The factory was well ventilated.
- The factory maintained a comfortable temperature throughout work floors.
- Sufficient fire safety equipment are provided in workshops.
- Drinkable water was available at no cost in workshops.
- Fire drill records were provided for review.

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

Details:

1. Health and safety policy
2. Health and safety committee minutes
3. Fire equipment maintenance records
4. Property ownership certificates
5. First aider certificates
6. Testing report of occupational disease hazards factors
7. Chemical list and MSDS for chemical
8. Fire drill records
9. H&S training records
10. Management and worker interview
11. Risk assessment records
12. PPE issuance list
13. Machine maintenance records
14. Special operation certificate
15. Special equipment operator certificate
16. Special equipment registration
17. Regular inspection report of special equipment
18. Safety Training Certificate for Principal Responsible Person
19. Construction Safety Documents
20. Fire Protection Acceptance Check

21. Water Potability Test Report

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Health & Safety policies and procedures were established in factory and communicated to workers regularly.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Health & Safety policies were included in employees' manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No structural addition was noted.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors to the site were informed on H&S and provided with personal protective equipment.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local law requirement. Factory had provided the first aid kit in workshop for employees.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No doctor or nurse was available, but the trained first aiders were in the factory.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A. No transport facility was provided for workers.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A. No dormitory provided.</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: List of Potential risk for each position and list of potential risk for young worker and pregnant woman were provided for review. And the related control measures were documented.</p>

J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All legally required environmental permits were provided for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemicals were used.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that no first aid kit was available in the material warehouse on the 6th floor of production building A& B.</p> <p>Legal Requirement: In accordance with Article 8.3 of Hygiene standards for the design of Industrial enterprises (GBZ1-2010), in case there is possibility of chemical burn through the skin and mucosa absorption of acute poisoning caused by workplace or workshop, facility should set up on-site emergency treatment facilities based on the possible occupation or of harmful factors and hazard characteristics, in the nearest place of work. First aid facilities should include: shower and eye wash facilities with continual water supply; gas protection cabinet; personal protective equipment; first aid kit or emergency and first-aid medicine box; a stretcher and device for transporting patient; emergency treatment facilities and emergency rescue communication equipment.</p> <p>ETI requirement: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that first aid kits are provided in the factory for employees in the event of an emergency.</p>	<p>1. Objective evidence observed: Per factory tour</p>
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: It was noted that the factory did not provide regular occupational health checks to employees in packing workshop who were in contact with hazardous materials.</p>	<p>2. Objective evidence observed: Per occupational health check reports review</p>

Legal Requirement: In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.

The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts.

The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.

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

Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all employees handling hazardous materials.

3. Description of non-compliance:

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

It was noted that the safety production management personnel (full time) in the factory was not carried out the safety retraining in accordance with the safety training outline formulated by the work safety supervision and supervision department.

Legal Requirement: In accordance with Article 21 of Law of the People's Republic of China on Production Safety, Units of production, operation and storage of mining, metal smelting, building construction, road transport units and dangerous goods shall set up a safety production management institution or be equipped with full-time safety production management personnel. Production and business units other than those specified in the preceding paragraph, employing more than one hundred people, should be set up safety management agency or have full-time personnel for the administration

3. Objective evidence observed:

Per training certificate of the safety production management personnel review

of production safety; in less than one hundred employees, shall be equipped with safety production management personnel full-time or part-time
 In accordance with Article 10 of Provisions on safety training for production and business units, the safety training of the Principal Responsible Person of production and business units and the safety production management personnel shall be carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department.
 In accordance with Article 12 of Provisions on safety training for production and business units, for coal, non-coal mines, dangerous chemicals, fireworks and other production and business units responsible for production management and safety personnel, their safety qualification training and examination shall be managed by the safety supervision department and issued safety certificate. The Principal Responsible Person of production and business units and the safety production management personnel of other production and business units, shall pass the qualified training by qualified training institutions, and obtain training certification.

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

Recommended Corrective Action: It is recommended that management adopt practices and controls to ensure that facility is equipped with safety production management personnel as legal requirement, and ensure the Principal Responsible Person in charge of the production and business operation unit and the safety production management personnel have the knowledge and management ability of production safety related to the production and operation activities of the entity, and the safety training is carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department.

Observation:

Description of observation:
None observed

Objective evidence observed:
Not applicable

Good Examples observed:

Description of Good Example (GE):
None observed

Objective Evidence Observed:
Not applicable

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their ID copies were kept in their personnel file. And the policy stated that the factory never employ and use any child labour under the age of 16 years old.
- 2. The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, and young workers should not arrange to work at hazardous post.
- 3. Checks of all workers files showed that the youngest worker present was 22 years old in the factory. No child labour or young worker was identified during the audit.

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

Details:

- 1. Policy on workers recruitment
- 2. Personnel files including the ID card copies of workers
- 3. Roster and labour contracts of all workers
- 4. Child Labour Not Be Used policy and procedure
- 5. Management and worker interview

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	22 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%

<p>E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A, The youngest worker present was 18 years old in the factory.</p>
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Non-compliance:	
<p>Description of non-compliance: None observed</p>	<p>Objective evidence observed: Not applicable</p>

Observation:	
<p>Description of observation: None observed</p>	<p>Objective evidence observed: Not applicable</p>

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Reviewing of 30 sample population employees' payroll records (each 10 samples from August 2020, January 2021 and June 2021 (recent payment month) respectively). It was noted that all sampled employees were paid at least RMB 10.34 per hour in 3 test months, which was in compliance with the local minimum wage standard RMB 9.89 per hour. All workers were paid by cash around 15th of each month for month wage of previous month.
2. All workers are 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.
3. According to the social insurance payment receipt provided by factory management, it was noted that all employees were provided with accident, medical, maternity pension and unemployment insurance in June 2021.

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

Details:

- Worker interview
- Local and national laws
- Wages and benefits policy
- Local legal minimum wage documents
- Leave records
- Labour contracts for all employees (to examine agreed wage rates)
- Resignation records
- Pay slips of all workers interviewed
- Hours records to check hourly rates and any overtime premiums
- Commercial accident insurance contract

Any other comments:

Nil

Non-compliance:

Description of non-compliance: None observed	Objective evidence observed: Not applicable
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Observation:	
Description of observation: None observed	Objective evidence observed: Not applicable

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours a day and 40 hours a week	A1: 8 hours a day and 40 hours a week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day; 36 hours per month	B1: 2 hours per day, 18 hours per week, 82 hours per month	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB 9.89 per hour since July 1, 2018.	C1: at least RMB 10.34 per hour	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Not less than 150% of normal wage for weekday overtime working	D1: 150% of normal wage for weekday overtime working Not less than 200% of normal	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A

	Not less than 200% of normal wage for rest day overtime working Not less than 300% of normal wage for holiday overtime working.	wage for rest day overtime working No overtime hour was arranged on holiday during the tested periods.	
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Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 samples from August 2020, 10 samples from January 2021, 10 samples from current paid month June 2021.
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes , please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A D1: If No , please give details:
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 10.34 per hour
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100_% of workforce earning above minimum wage
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Position allowance: RMB 300 to 500 per month for all production workers.

	Full attendance allowance: RMB 100 per month for all employees.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and tax		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Social insurance 2. Nil Please describe: Per document review, social insurance of employees participate in the social insurance were deducted per the legal requirement.
		I2: Please list all deductions that have not been made.	1. Tax 2. Nil Please describe: Net wage did not reach the tax level.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: All time would be included. Such as meeting time, fire drill rehearsal time etc.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		

<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Periodic reviews of wages were conducted. And the factory has considered basic needs of workers plus discretionary income.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Per payroll records review and workers interview, same position were paid at same wage.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Factory adopted finger printing attendance system to record workers' working time.
2. There was only one shift arranged for production employees: 8:00-12:00, 14:00-18:00.
3. Auditor reviewed the attendance records of 30 samples (10 samples from the most recent paid month June 2021, January 2021 and August 2020 respectively). Per records provided by management, the longest consecutive working days were 6 days. The maximum overtime hours per day were 2 hours, the maximum overtime hours per month were 82 hours, and the maximum total working hours per week were 58 hours.

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

Details:

1. Factory policy on working hours
2. Workers contracts

3. Sample pay slips with recorded hours of all interviewed workers
4. 12 months' time records showing highest and lowest hours over all employees
5. Quality and production records to cross check working hours
6. Management and worker interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

It was noted that 10 out of 30 sample population employees worked in excess of the statutory overtime hour limits.

A review of 30 sample population employees' time records (10 samples from the most recent paid month June 2021, 10 samples from January 2021, and 10 samples from August 2020) yielded the following:

- (1) 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 40 to 82 hours) in August 2020, which was not in compliance with the legal requirement;

Legal requirement: In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

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

Recommended corrective action: It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

Objective evidence observed:

Per time records review

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

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

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Describe: finger printing recording attendance system		
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:	
		<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other	
		If "Other", Please define: N/A	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

	If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: August 2020: 2 hours per day, 18 hours per week, 82 hours per month; January 2021: 0 hour per day, 8 hours per week, 32 hours per month; June 2021: 0 hour per day, 8 hours per week, 32 hours per month.	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___40___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i> Through working hours' policy and employees' interview, Employees would only need to tell the direct Supervisor orally if they did not want to have overtime work.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<i>M1: Please give details of normal day overtime premium as a % of standard wages:</i> 150% of normal wage for weekday overtime working, 200% of normal wage for rest day overtime working,

		No overtime hours were noted in statutory holidays. And per factory regulations, employees would be paid at 300% of regular wages for overtime worked on holidays.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% workers in every month.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Q1: If yes, please give details: Workers worked overtime sometimes due to order volumes increased.
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.; female workers and male workers had the same pay and working conditions; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found. All sampled employees interviewed stated that they were treated fairly and compensated the same wage for the same job.
3. Per management interview. The management knew the requirement of non-discrimination.

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

Details:

1. Employee handbook, the hiring and termination procedure
2. Anti-discrimination policy
3. Leave application and termination records
4. Attendance and payroll records
5. Training records
6. Job postings and advertisements and job application form
7. Management and worker interview

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>60</u> % A2: Female <u>40</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:	2 female employees worked as Supervisor.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

<p>gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: Confirmed by factory rules review, management and workers interview.</p>
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Professional Development

<p>A: What type of training and development are available for workers?</p>	<p>Professional skill training, fire safety and post safety training etc. were provided to workers.</p>
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<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If no, please give details:</p>
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Non-compliance:	
<p>Description of non-compliance: None observed</p>	<p>Objective evidence observed: Not applicable</p>

Observation:	
<p>Description of observation: None observed</p>	<p>Objective evidence observed: Not applicable</p>

<p>Good Examples observed:</p>

Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable
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8: Regular Employment Is Provided

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All employees were recruited by the factory directly. No labour agency was used to hire workers. No apprenticeship schemes or home worker was identified by the auditor.
2. The factory signed labour contracts with all employees within one month when they joined the factory. Per interview with worker, all employees had one copy of contract.
3. Per interview with management and worker, no recruitment fee was paid by the workers.

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

Details:

1. The hiring and termination procedure
2. Personal files and labour contracts
3. Payroll records
4. Management and worker interview

Any other comments:

Nil

Non-compliance:

<p>Description of non-compliance: None observed</p>	<p>Objective evidence observed: Not applicable</p>
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Observation:	
<p>Description of observation: None observed</p>	<p>Objective evidence observed: Not applicable</p>

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

Responsible Recruitment

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

<p>C: If yes, check all that apply:</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – <p>C1: If other, please give details: N/A</p>
<p>D: If any checked, give details:</p>	N/A

<p>Migrant Workers:</p> <p><i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i></p>			
<p>A: Type of work undertaken by migrant workers:</p>	All processes.		
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used: 0</p> <p>B2: Total number of (outside of local country) recruitment agencies used: 0. No recruitment agency was used by factory.</p>		
<p>C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> <input type="checkbox"/> Yes <input type="checkbox"/> No <p>C1: Please describe finding: N/A. No such deduction was noted.</p> </td> <td style="width: 50%;"> <p>C2: Observations: N/A</p> </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>C1: Please describe finding: N/A. No such deduction was noted.</p>	<p>C2: Observations: N/A</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No <p>C1: Please describe finding: N/A. No such deduction was noted.</p>	<p>C2: Observations: N/A</p>		
<p>D: Are Any migrant workers in skilled, technical, or management roles</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>D1: If yes, number and example of roles: 3 migrant employees were in management role.</p>		

<p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	
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NON-EMPLOYEE WORKERS

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

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

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

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

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:

It was verified through document review, factory tour, management interview and employee interview that no Home-working was used by this factory.

During this audit, no subcontractor was used in the factory.

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

Details:

Production records, quality records, and materials in and out records review

Manpower planning

Factory tour

Management interview and employee interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

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

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

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:

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

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>A1: Please give details: Per document review and management interview, it was noted all employees would freely express their opinion to the factory management. During employee interview, sampled employees stated that they were comfortable to express their viewpoints and most of their concerns were solved.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>The factory had established an internal open channel such as suggestion box for reporting any violations of Labour standards and H&S or any other grievances. Per workers' interview, workers were aware of the channel.</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</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other</p> <p>D1: Please give details: Suggestion box was provided to workers.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: If no, please explain</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</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 <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 management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination.
2. The site had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure.
3. The factory established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence happened in the past.
4. There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation
3. Training records
4. Management and worker interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

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

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

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

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current systems:

1. All workers in the factory were Chinese. Most of employees were migrant workers which came from other provinces out of Guangdong province. All workers had the proper legal rights to work in this region.
2. No agency staff or foreign worker were used by the factory.

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

Details:

1. Hiring procedure and employee handbook
2. Employee roster and personnel files
3. Management and worker interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation: None observed	Objective evidence observed: Not applicable
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Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established the environment policy and procedure to ensure meeting applicable environmental laws.
2. The factory conducted environmental impact assessment. Hazardous wastes were transferred to licensed vendor for disposal.
3. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
4. Workers were trained on environmental protection regularly.

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

Details:

1. Environmental management policy

2. Report form of environmental impact assessment
3. Disposal contract and transferring records of hazardous wastes
4. Energy bills
5. Water bills
6. Training records
7. Management and worker interview

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

None observed

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Objective evidence observed:

Not applicable

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Su Chengcong/ Quality 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 B1: Please give details: Factory had evaluated the environmental impact and provided the assessment report 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 C1: Please give details: There was no related certification in the factory.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Factory had an environment policy that required detailed environmental regulations.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The key impacts of environment and commitment to improvement were addressed.
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 gives details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No such sustainability systems.
H: Have all legally required permits been shown? Please gives details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Factory had provided all environment documents.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The factory established a documentation process to record hazardous chemicals used in the manufacturing process.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: This was included in the factory's internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: The reduction targets were noted in environmental management system manual.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: No waste recycling
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory established environmental management system. And the consumption of key utilities of water, energy and natural resources were monitored and recorded.
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided business license, qualification certificate and handling records of waste handling supplier for review.

Usage/Discharge analysis

Criteria	Previous year: Please state period: __ January 2020 to December 2020__	Current Year: Please state period: __ January 2021 to July 2021__
Electricity Usage: Kw/hrs	156400 kw/hrs	82600 kw/hrs
Renewable Energy Usage: Kw/hrs	N/A	N/A
Gas Usage: Kw/hrs	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 Yes , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Local municipal corporation water supply 	<ul style="list-style-type: none"> Local municipal corporation water supply
Water Volume Used: (m ³)	1100 m ³	880 m ³
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> Sewage pipe 	<ul style="list-style-type: none"> Sewage pipe
Water Volume Discharged: (m ³)	900 m ³	700 m ³
Water Volume Recycled: (m ³)	N/A	N/A

Total waste Produced <i>(please state units)</i>	28000 kg	15000 kg
Total hazardous waste Produced: <i>(please state units)</i>	700 kg	400kg
Waste to Recycling: <i>(please state units)</i>	N/A	N/A
Waste to Landfill: <i>(please state units)</i>	N/A	N/A
Waste to other: <i>(please give details and state units)</i>	Not provided	Not provided
Total Product Produced <i>(please state units)</i>	700000 pieces	500000 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. Mr. Liu Zaiqiu/ Vice General Manager was responsible for implementing standards concerning Business Ethics, and the practices were conducted without any corruption and bribery happened.
2. The factory established a business ethics policy and communicated to workers through posters and training.
3. There was an internal grievance process including anonymous contact telephone.

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

Details:

1. Business ethics policy and employee handbook.
2. Training records.
3. Management and worker interview.

Any other comments:

Nil

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code: None observed	Objective evidence observed: Not applicable

Observation	
Description of observation: None observed	Objective evidence observed: Not applicable

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

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers A1: Please give details: The factory had a business ethic policy, which was communicated with employees and implemented internally and externally.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory provided the training on business ethics issues to relevant personnel such as sales, logistics.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The policy updated on a regular (as needed) basis whenever they had new business partners.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory made an anti-bribery and ethics policy. The policy required that all facility employees and business partners must conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

Other findings

Other Findings Outside the Scope of the Code
Nil

Nil

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

Nil

Appendix 1

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

Not Applicable please x

General Photo

<p>Factory name</p>	<p>Factory gate</p>	<p>Factory building</p>
<p>Wax putting</p>	<p>Assembly</p>	<p>Packing</p>
<p>Warehouse</p>	<p>Fire extinguisher</p>	<p>Fire hydrant</p>

<p>Fire alarm</p>	<p>Safety exit sign and emergency light</p>	<p>Evacuation plan</p>

<p>Time record facility</p>	<p>Toilet</p>	<p>First aid kit</p>

<p>Drinking water</p>	<p>Eye wash facility</p>	<p>Suggestion box</p>



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

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d

[Click here for Auditors:](#)

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