



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1019009	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1076285	
Business name (Company name):	CHAO'AN JIEXING CERAMICS CO LTD			
Site name:	CHAO AN JIEXING CERAMICS CO LTD			
Site address:	She Jiao Road, Shenglian Area, Fuyang Town, Chaoan District, Chaozhou City, Guangdong Province CHAOZHOU CITY GUANGDONG PROVINCE 515645 CN	Country:	CN	
Site contact and job title:	Ms. Cai Danfen / Assistant to Manager			
Site phone:	(768) 6819611	Site e-mail:	keystar@keystarintl.com.hk	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-08-01			

Audit Company Name:
BUREAU VERITAS CPS - ASIA

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

## Audit Content:

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

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

### **2-Pillar SMETA Audit**

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

### **4-Pillar SMETA**

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

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

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

## SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Emily Chen	APSCA Number:	21701214
Additional Auditors:			
Date of declaration:	2024-08-02		

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

Site Representation	
Full Name:	Ms. Cai Danfen
Title:	Assistant to Manager
Date of declaration:	2024-08-02
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size):  Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).  The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
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.	

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management Systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1	§1	1	0	0	NC - ZAF600571523
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>	6.1	§2	1	0	0	NC - ZAF600571524
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>	10.B4.1 0		0	1	0	Obs - ZAF600571525
<u>10C - Business ethics 4-pillar</u>			0	0	0	

## Local Law Issues

Issue	Description
§1	In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7，当心触电警示标志应安装在有可能发生触电危险的电器设备和线路，如：配电室、开关等。6.2 标志牌的材质：安全标志牌应采用坚固耐用的材料制作，一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。

S2	<p>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. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>
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## Site Details

Site Details		
Company Name	CHAO'AN JIEXING CERAMICS CO LTD	
Site Name	CHAO AN JIEXING CERAMICS CO LTD	
GPS location (if available)	GPS Address:	She Jiao Road, Shenglian Area, Fuyang Town, Chaoan District, Chaozhou City, Guangdong Province China
	Coordinates:	Latitude: 23°35'58" Longitude: 116°35'56"
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License: 914451007078289011 valid from September 7, 1998 to September 6, 2028	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Products: Ceramics Activities: Decorating, inspection and packing	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The site was Located at She Jiao Road, Shenglian Area, Fuyang Town, Chaoan District, Chaozhou City, Guangdong Province China. The factory was established on September 7, 1998. The factory occupied total construction space was 7,650 square meters and occupied two 3-storey production building, one 2-storey samples displaying building and one 3-storey office building. No dormitory and canteen was provided to employees. The factory had a total of 28 employees, including 2 managements and 26 workers, 8 male and 20 female employees. The youngest employees in the factory were 29 years old.	

Structure and number of buildings	<b>Building Name:</b>		production A
	<b>Floor</b>	<b>Description</b>	<b>Remark</b>
	Floor	warehouse	Nil
	Floor 2	decorating and inspection	Nil
	Floor 3	warehouse	Nil
	<b>Building Name:</b>		production building B
	<b>Floor</b>	<b>Description</b>	<b>Remark</b>
	Floor 1	warehouse	Nil
	Floor 2	inspection and packing	Nil
	Floor 3	warehouse	Nil
	<b>Building Name:</b>		sample displaying building
	<b>Floor</b>	<b>Description</b>	<b>Remark</b>
	Floor 1 to 2	show room and warehouse	Nil
	<b>Building Name:</b>		office building
	<b>Floor</b>	<b>Description</b>	<b>Remark</b>
Floor 1 to 3	office	Nil	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No visible structural integrity issues were noted.		
Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No structural engineer evaluation was performed.		
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season			
Process overview	Products: Ceramics   Activities: Decorating, inspection and packing   Main machines: Roasting machine: 2.		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	Worker form of CHAO'AN JIEXING CERAMICS CO LTD		
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		



Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, no dormitory was provided to employees.

Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	13:30	In	08:30
	Out	17:30	Out	16:30
Audit type:	PERIODIC			
Was the audit announced?	ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	Ms. Cai Danfen / Assistant to Manager			
Is further information available	No			

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	No union was established in the factory.		
<i>Reason for absence during the audit</i>	No union was established in the factory.		
<i>Reason for absence at the closing meeting</i>	No 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	2	0	0	6	0	0	0	8
Worker numbers – female	16	0	0	2	0	0	0	18
Total	18	0	0	8	0	0	0	26
Number of Workers interviewed – male	2	0	0	0	0	0	0	2
Number of Workers interviewed – female	8	0	0	0	0	0	0	8
Total – interviewed sample size	10	0	0	0	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4
Number of individual interviews:	Male: 2 Female: 4
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No complaint was raised
What did the workers like the most about working at this site?	payment on time
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	favorable
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

**Attitude of workers:**

10 employees were interviewed privately. In the interview process, they were frank; no hint or 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. Apart from the 10 workers interviewed listed in the worker analysis table, another 2 employees were interviewed for business ethics and 2 employees for environment as this is a 4-pillar audit.

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

The attitudes of worker committee to factory management were favorable. He was satisfied with the working conditions and working hours. No negative information was raised.

**Attitude of managers:**

At the opening meeting, auditor explained the audit scope and the audit standard to the factory representative. Factory tour, document review, interviews with management members and workers were conducted as scheduled in the audit programs, a full audit was finished under the co-operation of the factory representatives. During the factory tour, management allowed auditors accessed all section of factory. Factory management also allowed auditors to select the samples and interview production workers in a private and confidential manner.



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

**0A: Compliance Requirements**

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

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

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

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

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

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

**Current Systems and Evidence Examined**

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

**Current Systems:**

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

**Evidence examined:**

The employee handbook, some anonymous grievance material  
Management interview  
Training records  
Worker interview  
Human rights policy  
Suggestion box

**Any other comments:**

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

Procedure to expresses commitment to respect human rights was established.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

The established policies were included in workers' manuals.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Cai/ Assistant to Manager
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Suggestion box.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory never provided the workers' data to the others.
<b>Measuring Workplace Impact</b>	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year                      7.0% This year                        3.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year                      1.0% This year                        1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	1.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All working related accident would be recorded. As per provided accident records, no accident was occurred in factory during past 12 months.

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

**0B - Management Systems and code Implementation**  
**[Summary of Findings]**

**0B: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

The factory communicated this Code to all employees by training as confirmed by training records and worker interviews. Responsibility for meeting the legal and client code requirements was shared between the Assistant to Manager and the Health & Safety Manager. Together they were responsible to the factory supervisor for ensuring the standards are met. Overall responsibility for meeting the standards was taken by the Assistant to Manager.

**Evidence examined:**

Management interview  
Training records  
Worker interview  
Document review  
- Internal audit documents  
- Client's code of conduct at the factory  
A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirement.

**Any other comments:**

Nil

**Management Systems**

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

☐ Yes ☒ No

Please give details:

No fine and prosecution.

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

☒ Yes ☐ No

Please give details:

Policies and/or procedures existed that reduced the risk of forced labor, child labor, discrimination, harassment & abuse

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.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management and workers received training in the standards for forced labor, child labor, discrimination, harassment & abuse.
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 Please give details: Responsibility for meeting the legal and client code requirements was taken by the HR department and factory Director. Together they were responsible to the factory manager for ensuring the standards are met.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No such certificate was obtained by factory.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Ms. Cai/ Assistant to Manager
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Cai/ Assistant to Manager
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The worker's data were not provided to others.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Confidential policy was established in the factory.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory would conduct the internal audit by themselves every year.
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 Please give details: The factory would conduct internal audit and take corrective actions by themselves.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory would conduct evaluation to their suppliers.
Land Rights	

Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory was able to provide the Planning permission of construction land of the factory and the planning permit on construction project of the factory for review.
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 checked="" type="checkbox"/> No Please give details: N/A for China
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Written policy and procedures were in place, the factory followed the local law to obtain the FPIC.
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 Please give details: This was conducted by the local governmental authority. The factory rented the building and related lease contract was provided for review.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Facility had no right of land acquisition in China.
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 Please give details: There was no evidence of illegal appropriation of land for facility building or expansion of footprint.

### 1 - Freely chosen Employment [Summary of Findings]

#### 1: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

Based on documents review, management and employee private interviews, no forced, bonded or involuntary prison labor was noted and all sampled employees were not required to lodge "deposits" or their identity cards and were free to leave or resign after reasonable notice. The factory did not detain any original documents such as ID Cards or Educational Certificates etc.

#### Evidence examined:

1. Policy documents
  - Personnel files
  - Resignation records
  - Factory rules
  - Employee handbook
  - Management and worker interview
  - Contracts for security guards
2. Worker interviews

#### Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No restriction was noted
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A



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

## 2 - Freedom of Association and Right to Collective Bargaining are Respected

### [Summary of Findings]

#### 2: Compliance Requirements

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

### Current Systems and Evidence Examined

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

#### Current Systems:

Per the factory management interview and workers' interview, it was noted that there was no union in the factory. Workers could freely raise their concerns through suggestion box and their team leader.

#### Evidence examined:

Factory policy (i.e. Site policy on freedom of association)

Employee interview

Management interview

#### Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker form of CHAO'AN JIEXING CERAMICS CO LTD
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training, communicating meeting, suggestion box and hotline were provided.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable

If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker Committee Suggestion box
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Cai
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-04-01
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last meeting day: June 17, 2024 Topic: Fire safety, Employees' benefit etc.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

#### 3: Compliance Requirements

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current Systems:

Through factory tour, it was noted that:

- The factory was well ventilated.
- The factory maintained a comfortable temperature throughout work floors.
- The factory posted the evacuation plans on work floors, which indicated escape routes and the location of the fire extinguishers. Firefighting facilities were well-maintained.
- Drinkable water was available in workshops.
- Workers received regular and recorded health & safety training such as fire drill etc.
- As per document review, factory conducted fire drills twice per year, the latest fire drill was conducted on November 18, 2023 and April 1, 2024.

#### Evidence examined:

- Health and safety policy
- Training records and certificates
- Fire equipment maintenance records
- Government licenses and checks on air quality and noise level
- Building structure safety certificate
- Trained first aider register
- Accident reports
- Chemical list and MSDS for each chemical
- Potable water testing certificates
- Interviews with H&S manager

#### Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

☒ Yes ☐ No

Please give details:

The factory established general and occupational health and safety policies and communicated it with workers via EHS training and posted it at notice board.


Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

The established policies were included in worker's manual.

Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There were no structural additions without required permits/inspections.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitors to the site informed on H&S were provided with personal protective equipment.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No medical room was provided in the factory.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sufficient trained first aid personnel was available, and first aid kits were provided.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No transport was provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No dormitory was provided to employees.
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: List of Potential risk for each position, potential risk for young worker and pregnant woman.
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 Please give details: Local legal required permits were obtained.
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 Please give details: No banned chemical was used.

Non-Compliance		Evidence																													
<a href="#">[Back to findings summary]</a>																															
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600571523</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>227 - Unmarked / incorrect labels / signage / instructions for electrics</td></tr><tr><td>Subcategory</td><td>Electrical risk</td></tr><tr><td>New or carried over?</td><td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA600020322</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7，当心触电警示标志应安装在有可能发生触电危险的电器设备和线路，如：配电室、开关等。6.2 标志牌的材质：安全标志牌应采用坚固耐用的材料制作，一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>审核员发现A生产楼1/2个出口处1个电箱没有安装警示标志。 It was noted that one electricity connection box at the 1 out of 2 exits on the 1st floor of production building A was not marked with a warning sign.</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600571523	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	Subcategory	Electrical risk	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA600020322	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7，当心触电警示标志应安装在有可能发生触电危险的电器设备和线路，如：配电室、开关等。6.2 标志牌的材质：安全标志牌应采用坚固耐用的材料制作，一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。	ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	审核员发现A生产楼1/2个出口处1个电箱没有安装警示标志。 It was noted that one electricity connection box at the 1 out of 2 exits on the 1st floor of production building A was not marked with a warning sign.	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	<div><p><u>NC missing warning sign.JPG</u></p></div>
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Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit																														

Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the factory are marked to avoid electric shock. 建议工厂对整个工厂的接线箱/开关箱安装警示标志。	



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

##### 4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

#### Current Systems and Evidence Examined

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

##### Current Systems:

1. The factory established a policy that will never employ and use any child labor under the age of 16 years old.
2. The factory verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files.
3. The youngest employee noted in the factory was above 29 years old.

##### Evidence examined:

Policy review  
Document review  
Worker interview  
Personnel files of all workers  
Latest list of employees  
Young workers details  
Records of any health checks

##### Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	29
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: N/A, no worker was under 18 years old.

## 5 - Living Wages are Paid [Summary of Findings]

### 5: Compliance Requirements

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

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

A review of 30 sample population employees' payroll records (10 samples from December 2023, 10 samples from February 2024 and 10 samples from June 2024), it was noted that employees were paid at least RMB 9.31 per hour for all tested samples, which was no less than the local minimum wage of RMB 1620 per month or RMB 9.31 per hour since December 1, 2021. And employees were paid 150% of normal wage for overtime worked on weekdays and 200% of normal wage for overtime worked on weekends, which was compliance with legal requirement. No overtime working was conducted on holidays.

### Evidence examined:

- Document review
- Worker interview
- Local and national laws
- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records
- Leave records
- Social insurance and payment receipts from the local labor department
- Labor 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

### Any other comments:

Nil

## Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 14.0 Per Month: 54.0	NO

Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 1620	Actual Per Day: 74.48 Per Week: 372.4 Per Month: 1620	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 27.94 Per Week: 148.96 Per Month: 595.84	NO
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from December 2023, 10 samples from February 2024 and 10 samples from June 2024		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	at least RMB 9.31 per hour		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 100.0% of workforce earning minimum wage 0.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:Nil Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance Individual income tax		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Social insurance Individual income tax		
Please list all deductions that have not been made.	Social insurance: Some employees reached retirement age  Individual income tax, some employees did not reach the tax requirement.		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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 Please give details: All time would be included.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
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 <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Same position was paid at same wage.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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

### 6: Compliance Requirements

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

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

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

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

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

A review of 30 sample population employees' time records (10 samples from December 2023, 10 samples from February 2024 and 10 samples from June 2024). Per document review, the workers' maximum overtime working hours were 2 hours a regular day, 54 hours a month. The maximum total working hours per week was 54 hours. The longest consecutive working days were found 6 days.

### Evidence examined:

- Employee interview
- Management interview
- local and national laws
- factory policy on working hours
- time records
- computerised time logging system
- sample pay slips with recorded hours all workers interviewed
- workers' contracts
- Quality and production records to cross check hours

### Any other comments:

Nil

## Working hours' analysis

### Systems & Processes

What timekeeping systems are used?	Biometric system
------------------------------------	------------------

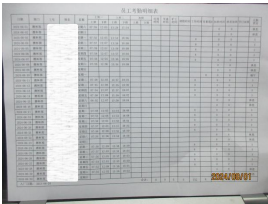
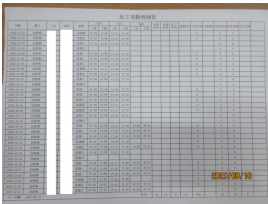
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---	---

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	2 hours per day, 14 hours per week and 54 hours per month in December 2023 2 hours per day, 8 hours per week and 16 hours per month in February 2024 2 hours per day, 8 hours per week and 40 hours per month in June 2024
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The maximum weekly working was 54 hours
Approximate percentage of total workers on highest overtime hours:	60.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Employee handbook stated that all working should on voluntary basis. Per employee interview, all interviewees sated that they can voluntarily choose overtime working.
<b>Overtime premium</b>	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium  Please give details: 150% of normal wages for overtime on working days, 200% of normal wages for overtime on rest days. No overtime was noted on statutory holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All employees were paid correctly each month.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements  <input type="checkbox"/> Other
Please give details	N/A
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	The maximum weekly working was 54 hours
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



Non-Compliance		Evidence																											
<a href="#">[Back to findings summary]</a>																													
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600571524</td></tr><tr><td>Clause</td><td>6 - Working Hours are not Excessive</td></tr><tr><td>Issue Title</td><td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td></tr><tr><td>Subcategory</td><td>Overtime</td></tr><tr><td>New or carried over?</td><td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA600020322</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>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. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工时记录中共抽取30个样本(其中从2023年12月抽取10个，从2024年2月抽取10个，从最近工资支付月份2024年6月抽取10个)，发现共有20个样本加班时间超出了法定标准，具体为： • 10/10名员工在2023年12月的加班时间为54小时，超过每月加班时间不能超过36小时的法律规定； • 10/10名员工在2024年6月的加班时间为40小时，超过每月加班时间不能超过36小时的法律规定；  It was noted that 20 out of 30 sample population employees worked in excess of the statutory</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600571524	Clause	6 - Working Hours are not Excessive	Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	Subcategory	Overtime	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA600020322	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	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. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。	ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	Explanation to the non compliance	根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工时记录中共抽取30个样本(其中从2023年12月抽取10个，从2024年2月抽取10个，从最近工资支付月份2024年6月抽取10个)，发现共有20个样本加班时间超出了法定标准，具体为： • 10/10名员工在2023年12月的加班时间为54小时，超过每月加班时间不能超过36小时的法律规定； • 10/10名员工在2024年6月的加班时间为40小时，超过每月加班时间不能超过36小时的法律规定；  It was noted that 20 out of 30 sample population employees worked in excess of the statutory	<div><p><u>NC WH month OT exceeding legal limited.JPG</u></p></div> <div><p><u>NC Overtime in excess of legal requirement.JPG</u></p></div>
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	<p>overtime hour limits.</p> <p>A review of 30 sample population employees' time records (10 samples from auditor selected month December 2023, 10 samples from auditor selected month February 2024, 10 samples from the most recent paid month June 2024) yielded the following:</p> <ul style="list-style-type: none"> <li>• 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 54 hours) in December 2023, which was not in compliance with the legal requirement;</li> <li>• 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 40 hours) in June 2024, which was not in compliance with the legal requirement;</li> </ul>		
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂确保员工的加班时间符合法律要求。</p>		

## 7 - No Discrimination is Practiced [Summary of Findings]

### 7: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

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

#### Evidence examined:

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

#### Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%			Female: 50.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	5 in skilled roles					
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring		<input type="checkbox"/> Compensation		<input type="checkbox"/> Access to training	
	<input type="checkbox"/> Promotion		<input type="checkbox"/> Termination or retirement		<input checked="" type="checkbox"/> No evidence of discrimination found	
Please give details	No evidence of discrimination found					
Professional Development						
What type of training and development are available for workers?	Internal and external training					
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					

## 8 - Regular Employment Is Provided [Summary of Findings]

### 8: Compliance Requirements

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

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

#### Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

The factory signed labor contracts with all workers to establish the employment relationship and confirm the rights and obligations of the employment conditions. According to worker interview, the factory gave a copy to them after signing contract.

### Evidence examined:

The hiring and termination practices  
Personal files  
Payroll records were provided for review.  
Contracts

### Any other comments:

Nil

## Responsible Recruitment

### All Workers

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

☒ Terms & Conditions presented ☒ Understood by workers  
☒ Same as actual conditions

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

☐ Yes ☒ No

### Migrant Workers

Type of work undertaken by migrant workers:

N/A

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

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

#### 8A: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. Per factory tour, it was noted that the production processes in the factory were complete, and this was also verified through production processes overview provided by factory.
2. Auditor also checked material in-and-out records; no subcontracting was noted.
3. Management confirmed that they would not use any subcontractor unless agreed by their client.
4. Per factory tour, employee interview and document review, it was also noted that all productions were onsite, no homeworking was noted.

#### Evidence examined:

1. Document Review
2. Factory Tour
3. Management interview
4. Production records
5. Materials in/out records

#### Any other comments:

Nil

### Summary of sub-contracting – if applicable

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

### Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No

**9 - No Harsh or Inhumane Treatment is Allowed**  
**[Summary of Findings]**

**9: Compliance Requirements**

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.

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

According to the documentation, the factory management had established a disciplinary procedure for workers' improper behavior which included oral warning, written warning and finally termination and the site, had developed training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.

As per management interview, document review and workers interview, there was a policy on Harsh Treatment. There was an internal process for grievance, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the worker in question.

**Evidence examined:**

The relevant policy on prevention of harassment and abuse

Internal grievance procedure documentation.

Training records

Suggestion box records

**Any other comments:**

Nil

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Based on 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.
If yes, are workers aware of these channels and have access? Please give details.	The factory had established an internal open channel such as suggestion box for reporting any violations of Labor standards and H&S or any other grievances.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Suggestion box was set in the factory.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:

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

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

**10A: Compliance Requirements**

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

Per document review, factory management representation and worker interview, no foreign worker was used by the factory, and all workers in the factory owned the legal right.

**Evidence examined:**

Hiring procedure  
Personnel files  
Worker handbook  
Roster of Employee

**Any other comments:**

Nil



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

**10B4: Compliance Requirements**

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

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

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

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

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

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

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

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

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

**10B4: Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

The factory established the environment policy and procedure to ensure meeting applicable environmental laws. Per factory tour and document review, no banded chemicals were used. All energy using were recorded and monitored. All wastes were properly stored and deposited.

**Evidence examined:**

All the required environmental documents were provided for review.

Environmental policy

Energy bills

Water bill

Textile waste transfer documentation

Renewal energy specification

Worker and management interview.

Site tour

**Any other comments:**

Nil


**Environmental Analysis**

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

Ms. Cai/Assistant to Manager

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks were conducted periodically.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such certificate was obtained by factory.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory contracted with qualified hazardous waste contractor and hazardous waste was disposed properly.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such sustainability systems were performed by factory.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has provided local legal required permits.
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"/> Not Applicable Please give details: No chemicals were noted in the factory during current audit.
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 Please give details: There is a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory made a reduction target to reduce water and electricity consumption.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Some waste carton boxes were recycled in the factory.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory kept the water and electricity consumption records.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has checked business partners and requiring appropriate permits and licenses.	
<b>Usage/discharge analysis</b>		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	544051	296839
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	•municipal water supply	•municipal water supply
Water Volume Used	5054	2415
Water Discharged	•Discharge sanitary waste to municipal sewage pipe	•Discharge sanitary waste to municipal sewage pipe
Water Volume Discharged	5000	2400
Water Volume Recycled	0	0
Total waste produced	1.5 tons	0.75 tons
Total hazardous waste produced	0	0
Waste to recycling	waste carton box : 1 tons	waste carton box : 0.5 tons
Waste to landfill	0	0
Waste to other	Domestic Garbage disposed by local municipal company: 0.4 tons	Domestic Garbage disposed by local municipal company: 0.25 tons
Total Product Produced	500000 pieces	30 pieces

Observation		Evidence																															
<a href="#">[Back to findings summary]</a>																																	
<table><tr><th colspan="2">Observation</th></tr><tr><td>Status</td><td>CLOSED</td></tr><tr><td>Reference</td><td>ZAF600571525</td></tr><tr><td>Clause</td><td>10B4 - Environment 4–Pillar</td></tr><tr><td>Issue Title</td><td>610 - Environmental section of the Sedex SAQ not completed</td></tr><tr><td>Subcategory</td><td>General Environmental Permits, &amp; Management systems</td></tr><tr><td>New or carried over?</td><td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA600020322</td></tr><tr><td>Resolved by audit</td><td>ZAA600079903</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>ETI code</td><td>10.B4.10 - Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</td></tr><tr><td>Explanation to the observation</td><td>本次审核工厂提供了SAQ。During current audit, the factory provided SAQ.</td></tr><tr><td>Actions</td><td>It is recommended that factory management adopt practices and controls to ensure that SAQ would be finish and make it available to auditor. 建议工厂完成SAQ的填写。</td></tr><tr><td>Additional comments</td><td>已完成SAQ填写 本次审核工厂提供了SAQ。During current audit, the factory provided SAQ.</td></tr></table>			Observation		Status	CLOSED	Reference	ZAF600571525	Clause	10B4 - Environment 4–Pillar	Issue Title	610 - Environmental section of the Sedex SAQ not completed	Subcategory	General Environmental Permits, & Management systems	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA600020322	Resolved by audit	ZAA600079903	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		ETI code	10.B4.10 - Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.	Explanation to the observation	本次审核工厂提供了SAQ。During current audit, the factory provided SAQ.	Actions	It is recommended that factory management adopt practices and controls to ensure that SAQ would be finish and make it available to auditor. 建议工厂完成SAQ的填写。	Additional comments	已完成SAQ填写 本次审核工厂提供了SAQ。During current audit, the factory provided SAQ.	<div> <a href="#">SAQ_ZS1076285.pdf</a></div>
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### 10C - Business Ethics – 4-Pillar Audit [Summary of Findings]

#### 10C: Compliance Requirements

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

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

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

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

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

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

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

#### 10C: Guidance for Observations

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

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

Per management interview, worker interview and document review, it was noted that the factory had established the business practices to ensure that there was no bribery, corruption, or any type of fraudulent in business.

#### Evidence examined:

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

#### Any other comments:

Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

☒ Internal Policy

☒ Policy for third parties including suppliers

Please give details:

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.

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 Please give details: The facility provided the training on business ethics issues to relevant personnel such as sales, logistics.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy updated on a regular (as needed) basis whenever they had new business partners.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 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.

## Attachments



SAQ\_ZS1076285.pdf



warning sign marked.JPG



toilet.JPG



suggestion box.JPG





warehouse.JPG



production buildings.JPG



roasting workshop.JPG



first aid kit.JPG





exit sign and emergency light.JPG



NC HS missing warning sign.JPG



packing workshop.JPG

A photograph of a large spreadsheet or ledger titled '员工考勤记录' (Employee Attendance Record). It contains multiple columns for dates and times, with rows for individual employees. A large white rectangular redaction covers the middle-left portion of the table. A date stamp '2024/08/11' is visible in the bottom right corner.

NC WH month OT exceeding legal limited.JPG



fire extinguishers.JPG



fire alarm.JPG



fire hydrant.JPG



escape and evacuation map.JPG



factory name.JPG



attendance system.JPG



factory gate.JPG



drinkable water.JPG



decorating workshop.JPG



address badge.JPG



10241940698 Smeta\_4P\_Chao'an\_Jiexing\_Ceramics  
Co\_Ltd\_China\_1\_2\_Aug\_2024\_Signed CAP.pdf



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

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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