



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1036346	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1054273
Business name (Company name):	Hangzhou Sunbeauty Industrial Co Ltd		
Site name:	Wenzhou City Meichen Paper & Plastic Products Co Ltd 温州市美辰纸塑制品有限公司		
Site address: <i>(Please include full address)</i>	Waipu Industrial Parks, Aojiang Town, Pingyang County, Wenzhou City, Zhejiang Province 浙江省温州市平阳县鳌江镇外浦工业区	Country:	China
Site contact and job title:	Mr. MEI Sanfeng/General Manager		
Site phone:	86-13868453119	Site e-mail:	122407167@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	May 16-17, 2022		

Audit Company Name & Logo:  TÜVRheinland® Precisely Right. TÜV Rheinland (TUEV Rheinland)	Report Owner (payer): Wenzhou City Meichen Paper & Plastic Products Co Ltd
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Emma MA APSCA number: CSCA 21702457

Lead auditor APSCA status: In good standing

Team auditor: Nil APSCA number: N/A

Interviewers: Emma MA APSCA number: CSCA 21702457

Report writer: Emma MA

Report reviewer: Anna Zhang

Date of declaration: May 17, 2022

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

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

Summary of Findings

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

7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.
8A	<u>Sub-Contracting and Homeworking</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.
10A	<u>Entitlement to Work</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.
10B2	<u>Environment 2-Pillar</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not Applicable
10B4	<u>Environment 4-Pillar</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.
10C	<u>Business Ethics</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None was observed.

General observations and summary of the site:

The Periodic Audit of Wenzhou City Meichen Paper & Plastic Products Co Ltd was conducted on May 16-17, 2022 on a semi-announced basis. The auditor arrived at the facility at 9:00am on the audit date. Upon arrival, the auditor was greeted by Mr. MEI Sanfeng/General Manager. After changing business card, an opening meeting was immediately held with Mr. MEI Sanfeng/General Manager and Ms. YU Haiqing/Worker Representative. The audit's purpose and procedures were explained to the facility management, worker representative, including document review, health and safety walkthrough and employees' interview. Then, the full assessment was immediately granted.

Wenzhou City Meichen Paper & Plastic Products Co Ltd was established on June 18, 2009. The business was owned by Mr. MEI Sanfeng/General Manager. The auditee mainly produced paper and plastic products. The audit was performed 1.5 days by one auditor. It included interviews and records inspection for the 10 employees in the facility. Workers interviewed included both males and females. The employees stated that their supervisor treated them with respect. No physical abuse from the facility management was reported by any of the interviewed employees. Currently, as onsite observation, there were a total of three main buildings at the current compound, including two 3-storey buildings and one flat building, which were all owned by the auditee. Currently, the three buildings were all owned by the auditee for production and office area. There was no canteen, kitchen or dormitory was provided by the auditee to the employees. Currently there were several non-compliances found in the audit as per the table and onsite observation, such as excessive overtime hours, insufficient social insurance provided, and improper health and safety situation.

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

Site Details

Site Details		
A: Company Name:	Hangzhou Sunbeauty Industrial Co Ltd	
B: Site name:	Wenzhou City Meichen Paper & Plastic Products Co Ltd	
C: GPS location: (If available)	GPS Address: Waipu Industrial Parks, Aojiang Town, Pingyang Country, Wenzhou City, Zhejiang Province, China	Latitude: 27° 36' 37" Longitude: 120° 32' 42"
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: 91330326689997110U Valid from June 18, 2009 to long-term	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Paper and plastic products such as festival crafts	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Wenzhou City Meichen Paper & Plastic Products Co Ltd was located at Waipu Industrial Parks, Aojiang Town, Pingyang Country, Wenzhou City, Zhejiang Province, China. As per onsite observation and the facility management statement, there were a total of three main buildings at the current compound, including two 3-storey buildings and one flat building, which were all owned by the auditee. Currently, the three buildings were all owned by the auditee for production and office area. There was no canteen, kitchen or dormitory was provided by the auditee to the employees.</p> <p>The facility had operated in the existing location since June 2009. Currently, a total of 27 workers were working in the facility, which include 24 employees and 3 management. All of them were permanent workers who were hired by the facility directly. They worked for 5 days a week in one shift. The normal working hours was from 8:00 to 17:30 with 1.5 hours for lunch time from 11:30 to 13:00. If needed, regular overtime was conducted from 18:30 to 20:30, which would be arranged at weekday, 1 to 3 times per week. Overtime was voluntary. As per the provided payroll journals and management report, the facility used hourly rate wage calculation system to calculate the wages for all the employees. Employees' wages of the previous natural month would be paid at least on or before 20th of the current month. There was no peak or low season in the facility.</p> <p>For below, please add any extra rows if appropriate.</p>	

Production Building no 1	Description	Remark, if any
Floor 1	Assembly & packing	Nil
Floor 2	Gluing	Nil
Floor 3	Gluing	Nil
Is this a shared building?	No	Year of establishment: 1996

Production Building no 2	Description	Remark, if any
Floor 1	Accessory cutting, finished-product storage area	Nil
Floor 2	Office	Nil
Floor 3	Raw material warehouse	Nil
Is this a shared building?	No	Year of establishment: 1996

Production Building no 3	Description	Remark, if any
Floor 1	Die cutting, folding, raw material warehouse	Nil
Is this a shared building?	No	Year of establishment: 1996

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

F2: Please give details: No crack was observed.

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

F4: Please give details: The factory provided property ownership certificate for review.

G: Site function:
 Agent
 Factory Processing/Manufacturer
 Finished Product Supplier
 Grower
 Homeworker

	<input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	N/A, no apparent peak season
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Products: Paper and plastic products such as festival crafts Process: Die cutting, gluing, assembly and packing Main equipment: 4 cutting machines, 4 gluing machines and 1 folding machine and etc.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A. No accommodation building was provided by the auditee for the employees.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:00 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: 9:00 A4: Day 2 Time out: 13:00	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1.5 audit days for one auditor		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi-announced: Window detail: 2 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The SMETA Audit Application form was fully finished. E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. MEI Sanfeng/General Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	May 17-18, 2021		
J: Previous audit type:	Periodic Audit		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
Audit attendance		Management	Worker Representatives

	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There was no union in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	2	0	0	3	0	0	0	5
Worker numbers – female	19	0	0	0	0	0	0	19
Total	21	0	0	3	0	0	0	24
Number of Workers interviewed – male	1	0	0	2	0	0	0	3
Number of Workers interviewed – female	7	0	0	0	0	0	0	7
Total – interviewed sample size	8	0	0	2	0	0	0	10



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



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

Ten workers were selected for interview including 3 male and 7 female employees, they were interviewed as one group of 4 and the balance of 6 workers were interviewed individually in a confidential condition without any influence by the factory management.

All interviewed employees reported that their management treated them kindly with respect. They were satisfied with the workplace. They were able to make suggestion to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors. All interviewees seemed confident and calm during the interview process.

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

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

The interviewed worker representative was cooperative, and reported that the facility management were kind and treated all employees equally without discrimination. She was satisfied with the workplace and seemed confident and calm during the interview process.

O: Attitude of managers:

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

The attitude of management of factory was cooperative and positive.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility maintained and implemented a social compliance policy for delivering compliance to with human rights.
2. Mr. MEI Sanfeng/General Manager was responsible for the implementation of the policy concerning human rights.
3. The factory had measured their direct, indirect and potential impacts on stakeholders (rights holders) human rights.
4. The factory communicated standards concerning Human rights to all appropriate parties, including its own suppliers.
5. The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. Suggestion box was also provided in the facility for employees to express the grievance anonymously.

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

Details:

- Social compliance policy
- Training records
- Supply chain profile
- Grievance procedure
- Worker interview

Any other comments: Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Policy and procedures on human rights included the content about no forced labour, no child labour, anti-discrimination, anti-harassment and so on was available and communicated to employees.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a designated person responsible for implementing standards concerning Human Rights. Name: Mr. MEI Sanfeng Job title: General Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: According to the written procedures of grievance and management interview, there was an anonymous way to report issues about human rights, such as suggestion box.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: All employees' private information such as personal identity documents was managed by HR department and only the authorized employees could access to such kind of information.</p>

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

Good examples observed:

Description of Good Example (GE): None was observed	Objective Evidence Observed: N/A
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Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: ___1___ %	A2: This year ___2___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	2%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___1___ %	C2: This year ___3___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	3%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Management kept a written record of any accident (Mr. MEI Sanfeng/General Manager). No accident case was happened in the latest 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2021 Number: 0	F2: This year: 2022 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___ % workers	I2: 12 months ___0___ % workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___0___ % workers	J2: 12 months ___0___ % workers

0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility implemented and maintained a system for delivering compliance to ETI code and local laws and regulations.
2. The facility established written social compliance policies and procedures.
3. Social compliance training was provided to top management team and production workers upon hiring and on an annual basis. ETI Base Code has been posted in the facility. The training records for all employees on social compliance policy were also provided for review,
4. Overall responsibility for meeting the standards was taken by Mr. MEI Sanfeng/General Manager.
5. An internal audit and management system audit were conducted annually, and findings would be reported to the HR and Health & Safety manager.
6. Valid business license was provided for review.
7. The facility communicated the social compliance code, also including Ethical Code, to supplier and had their supplies signed the codes to promise following all standards.

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

Details:

- Social compliance policy
- Employee Handbook
- Business license
- Training records of social compliance
- Worker Interview
- Internal assessment records

Any other comments: Nil

Management Systems:	
<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: Auditor checked this through internet and no fines/prosecutions for the past 12 months was noted.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility established a written policy to reduce the risk of forced labour, child labour, discrimination, harassment & abuse, relevant training records were also provided for review.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>The facility posted Social compliance standards, such as forced labour, child labour, discrimination, harassment & abuse in the workshop and as per the training records, they were also provided social compliance trainings to employees. According to procedures review, management and employees interview, no negative evidence on forced labour, child labour, discrimination, or harassment & abuse was found.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Training records were provided for review, including annual training for in-service employees and pre-work training for newly hired employees.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training records were provided for review. - Annual training for all employees, the last training was conducted on March 15, 2022 - Introductory training records for new employees</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: N/A</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: The Human Resources Manager in the facility was Mr. MEI Sanfeng/ General Manager.</p>

H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. MEI Sanfeng/General Manager was the general manager responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: There was policy to ensure data privacy for workers.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: There were confidential procedure for workers and HR department performed this system, all information was controlled strictly.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: There was a system to measure the effectiveness of these policies and procedures at the facility. As per the records, internal audit was conducted in the facility annually.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The corrective actions were made when risks were found. Preventative action would also be set up for similar non-compliance.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility communicated the social compliance code to supplier and had their supplies signed the codes to promise following all standards.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided the property ownership certificate of the used buildings for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: There was a system to conduct legal due diligence to recognize and

	apply national laws and practices relating to land title.
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>P1: If yes, how does the company obtain FPIC: N/A. The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department, The governmental department would make decision on whether to provide the approval.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Q1: Please give details: Property ownership certificate was provided to review, which were obtained before the facility being built.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>R1: Please give details: N/A land acquisition plan</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>S1: Please give details: No evidence of illegal appropriation of land for facility building or expansion of footprint was detected.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None was observed Local law and/or ETI requirement: N/A Recommended corrective action: N/A</p>	<p style="text-align: center;"><input type="checkbox"/> NC against Local Law</p> <p>Objective evidence observed: N/A</p>

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

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established a recruitment policy which prohibited forced, bonded and involuntary prison labour and was available for review.
2. The employee maintained their own personal documents such as ID's for proof of age. And no deposit was detected.
3. All the employees were free to leave for non-working hours. Water breaks and access to toilets were unrestricted.
4. All worker could freely resign after communication with management or fill resign application form in advance of 30 days for the formal workers and 3 days for the probation workers.
5. There was no daily quota required. As reported, all the employees stated that they conducted overtime on a voluntary basis.
6. No prison labour was detected during the current audit.

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

Details:

- The facility rules and regulations
- Employees' contracts
- Employee handbook
- 12 months' Payrolls (to check for deposits) and resignation records
- Management and workers interview

Any other comments:

Nil

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

D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The facility established a written policy, and conducted investigation for their suppliers.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory established procedures such as Non-forced labour to prohibit employing forced labour.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None was observed Local law and/or ETI requirement N/A Recommended corrective action: N/A	Objective evidence observed: N/A

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

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. There was no union at the site, but workers had the right to join a union if they wished.
2. The facility had established the policy on freedom of association and right to collective bargaining.
3. The employees were well trained on this policy and they could understand the roles and responsibilities of committee members fully.
4. The worker representative was selected by the employees themselves. There were two worker representatives in the facility. The communication meeting was conducted once every season. No discrimination was posed on worker representatives.
5. Employee could directly raise their concerns to worker representatives, supervisors or suggestion box.

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

Details:

- The facility rules and regulations
- Employees' contracts
- Employee handbook
- Employees and management's interview
- Worker representative interview
- Regular meeting records between worker representative and the management
- The record from the suggestion box and what relevant actions had been taken was reviewed.

Any other comments:

Nil

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

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

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box and telephone hotline D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There was a room available for the worker's committee to meet and committee meeting was conducted regularly.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	A worker's committee is in place with two worker representatives elected by workers themselves.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Through worker interview, it was noted that the employees knew who the worker representatives were.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: September 1, 2021
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: During the audit, one worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last worker committee meeting was held on May 12, 2022 for around 30 minutes with topics of improvement on employee's wages and benefits and the sanitation maintenance in the restroom.	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA: N/A	M2: ____% workers covered by worker rep CBA: N/A
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed Local law and/or ETI requirement: N/A Recommended corrective action: N/A	Objective evidence observed: N/A

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - The factory established written policy on health and safety and obtained the updated laws on it.
 - There was a Health and Safety Committee established in the facility, with the meeting conducted every season. The last meeting was conducted on May 12, 2022. Health & Safety training was provided to both in-service employees annually, and also to newly hired employee upon hiring.
 - Potable water was available for the workers and test report was up-to-date.
 - All restrooms were found to be clean and sanitary, and were segregated by gender. Basic supplies were provided in the restrooms.
 - For the special equipment, there was one elevator used by the assessed facility. The annual inspection report and the usage registration number were all provided for review.
 - Personal protective equipment such as anti-chemical mask, earplugs, rubber gloves and etc., were provided to the employees in the facility and all the employees viewed onsite were wearing them properly.
 - Occupational hazardous element such as high noise existed in die cutting processes, and chemical elements existed in gluing process. It was noted that pre-work, in-service and pre-resignation occupational health exam were sufficiently provided to all the employees who exposed to occupational hazards.
 - Ventilation, temperature and lighting were adequate for the production workshop.
2. Fire Safety
 - A sufficient number of emergency exits were provided in the facility and all the exits were clearly marked.
 - Emergency lights were sufficiently provided, both for the area around emergency exit and along the evacuation aisle.
 - Evacuation plot plans were posted in all the areas of the facility and understood by all workers interviewed.
 - The facility was equipped with a sufficient number of fire-fighting equipment. All the fire extinguishers were well marked and charged.

- Fire and evacuation drills were conducted in the facility for all the employees every 6 months. The latest fire drill was conducted on April 22, 2022.
- 3. Electrical safety
 - The certificate of the electrician in the facility was provided for review, and it was valid and up to date.
 - Most of the electrical equipment viewed was in good condition such as sockets, plugs, switches and main fuse boards. And most of them were well labelled with warning sign.
- 4. Chemical safety
 - The chemicals used in the facility were mainly glue, lubricating oil and etc., which were well labelled and stored, and also with MSDS posted aside as onsite observation and per facility management.
- 5. Medical services
 - A sufficient number of first aid kits were provided on the work floor. All the first aid kits were well stocked.
 - There were two trained first aid members available in the facility.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Occupational hazards inspection report and occupational health exam reports
- Accident reports
- Chemical list and MSDS for the chemical
- Interviews with H&S manager
- Interviews with workers and H&S committee members
- Onsite observation

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had general Health & Safety and occupational Health & Safety policies and procedures that were fit for purpose and these were communicated to workers.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The policies were included in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No structural addition without required permits.</p>

<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The auditor was informed on H&S and the PPE was provided by the facility.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room was provided in the facility, but sufficient first aid kits were available.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There were two trained first aid personnel at the facility, with valid certificates.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A The facility did not provide worker transport.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A. No dormitory was provided by the facility.</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory had conducted risk assessment on health and safety, last delivered on March 11, 2022. And relevant actions were taken to reduce the identified risk.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had registered its pollution emission on the website of national discharge permit management information platform. And it was not required to conduct EIA in the facility as per the local law.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: There was no banned chemical used at the facility.</p>

Non-compliance:

1. Description of non-compliance:

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

It was observed that 2 out of 10 electrical control panel sampled onsite were not locked, with the electric wires exposed to the outside.

Local law and/or ETI requirement:

Local Law of Code for Design Offlow Voltage Electrical Installations GB 50054-2011 5.1.1

The live part shall be completely covered with an insulating layer, which shall be able to withstand all kinds of adverse effects of mechanical, chemical, electrical and thermal in operation for a long time.

ETI requirement 3.1

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

Recommended corrective action:

It is recommended that all electric boxes should be locked and the electric wires should be protected.

2. Description of non-compliance:

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

2 out of 10 sampled electric control panels were not installed with warning sign of electricity.

Local law and/or ETI requirement:

Local Law of Safety signs and guideline for the use GB2894-2008 4.2.7

The graphic format of warning electric shock for electrical equipment and circuits that may be at risk of electric shock, such as distribution rooms, switches, etc.

ETI requirement 3.1

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

Recommended corrective action:

It is recommended that all the electric control panels should be installed with warning sign of electricity.

Objective evidence observed:

1. Onsite observation
See photo NC 1

2. Onsite observation
See photo NC 2

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

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

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The complete hiring procedure was established in the facility, which required that the minors under 16 years old were not allowed to join the facility.
2. The facility would verify all employees' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files.
3. The youngest employee in the facility was 30 years old, who was born on October 1, 1991. And the employee was hired on October 6, 2016.
4. The child labour remediation policy was established by the facility.
5. No juvenile employee or child labour was found in the facility currently.
6. There was no student or apprentice in the facility.

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

Details:

- Personnel files of workers
- Latest register of employees
- Facility management & employees interview.

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	30 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? <u>(Go to clause 3 – Health and Safety)</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A. There was no juvenile worker hired in the facility.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed Local law and/or ETI requirement: N/A Recommended corrective action: N/A	Objective evidence observed: N/A

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

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

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The local legal minimum wage was RMB 1660/month (RMB 9.54 per hour) before August 1, 2021 and RMB 1840/month (RMB 10.57 per hour) since then.
2. All the employees in the facility were paid by hourly rate and overtime wage calculated based on the monthly rate. The minimum wage paid by the factory was RMB 12.07 per hour according to the wage records.
3. Wages had been recorded according to documents checked. 150%, 200% and 300% of normal wages was required to pay for employee's regular overtime, rest day overtime and statutory holiday overtime respectively.
4. All the employees were paid at the on or before 20th of each month for the wage of previous natural month.
5. All the directly hired employees were paid by cash. Each worker was given a pay slip. The resigned employees would be were paid at the current date of resignation.
6. The wages office was well organised with a good controlled set of processes which were well understood by all employees.
7. All workers were provided with written and understandable information such as employee manual about their employment conditions in respect to wages upon hiring and about the particulars of their wages for the pay period concerned each time that they were paid.
8. Document review of payroll and employee wage records showed that social insurance provided to employees was insufficient.
9. All social insurance payments were passed on to the relevant authorities in a timely manner.
10. Benefits such as paid, annual leave, child-bearing leave were given to appropriate workers.
11. There was no deductions from wages as a disciplinary measure as per the viewed payroll journals. In addition, all the deduction from employees' wages were compliance with local law.

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

Details:

- Wages and benefits policy

- Payroll records: May 2021 to April 2022
- Leave records, termination records, working hour's records: May 1, 2021 to May 16, 2022
- Labour contracts for the sampled employees
- Social insurance records: February 2022 to April 2022
- Worker and management interviews
- Production records: May 2021 to May 2022
- Hours records to check hourly rates and any overtime premiums

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

Social insurance coverage was deficient. There were 27 employees in the facility currently, including 10 retired employees. In addition, there was no employee resigned or newly hired April 25, 2022. Thus, in April 2022 there were 17 employees in the facility should be covered with five kinds of social insurance. However, as per the social insurance receipts provided by factory management, it was noted that in April 2022 unemployment insurance, maternity insurance, retirement insurance and medical insurance provided to 15 employees. And work-related injury insurance was provided to all the 17 employees. In addition, the facility provided commercial accident insurance to a total of 13 employees.

Local law and/or ETI requirement:

Local law of Social Insurance Law of the People's Republic of China, Article 10

Each employee shall enroll in the basic retirement insurance system; and the employer and the employee shall jointly make basic retirement insurance contributions. A proprietor of privately or individually-owned business with no hired labor, a part-time worker who is not covered by the basic retirement insurance system through his or her employer, and any other person in employment of flexible forms, may elect to enroll in the basic retirement insurance system, and they shall make basic retirement insurance contributions.;

Social Insurance Law of the People's Republic of China, Article 23

Each employee shall enroll in the basic medical insurance system for employees, and the employer and employees shall jointly make basic medical insurance contributions as set by the State. A proprietor of privately or individually-owned business with no hired labor, a part-time worker who is not covered by the basic medical insurance system for employees through his or her employer, or any other person in employment of flexible forms may enroll in the basic medical insurance system for employees, and they shall make basic medical insurance contributions as set by the State.;

Social Insurance Law of the People's Republic of China, Article 33

Each employee shall enroll in the work injury insurance system. The employer shall make work injury contributions, and the employee is not liable for contributions.;

Objective evidence observed:

1. Document review and worker interview

<p>Social Insurance Law of the People's Republic of China, Article 44 Each employee shall enroll in the unemployment insurance system, and the employer and employee shall jointly make unemployment insurance contributions as set by the State.;</p> <p>Social Insurance Law of the People's Republic of China, Article 53 Each employee shall enroll in the child-bearing insurance system. The employer shall make child-bearing insurance contributions as set by the State, and the employee is not liable for child-bearing insurance contributions.</p> <p>ETI requirement 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: It is recommended that the factory should provide all kinds of social insurance for all employees.</p>	
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Observation:	
<p>Description of observation: None was observed</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/</p>	<p>Objective evidence observed: N/A</p>

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

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum:	B1: Maximum daily overtime up to 2 hours	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	3 hours per day and 36 hours per month.	per day, maximum weekly overtime up to 14 hours, maximum monthly overtime up to 52 hours	
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB 1660/month (RMB 9.54 per hour) before August 1, 2021 and RMB 1840/month (RMB 10.57 per hour) since August 1, 2021	C1: Minimum RMB 12.07 per hour	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: No less than 150%, 200% and 300% of regular rate for regular overtime, rest day overtime and statutory holiday overtime respectively.	D1: Regularly, no less than 150%, 200% and 300% of regular rate for regular overtime, rest day overtime and statutory holiday overtime respectively	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 sampled workers in July 2021 were checked (Random month); 10 sampled workers in December 2021 were checked (Random month); 10 sampled workers in April 2022 were checked (Current paid month);

<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>C1: If Yes, please give details: N/A</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>D1: If No, please give details: N/A</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above</p>	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> One sampled worker in April 2022 Standard wage: RMB 12.07 per hour Total standard work hours: 152 hours Regular wage: RMB 1834.48 Weekday OT: 10 hours Weekday OT wage: RMB 181.03 Rest day OT: 40 hours Rest day OT wage: RMB 965.52</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100___% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> As per the payroll journals provided, high temperature allowance of RMB 200 per month was provided to the employees during the period from June to September in a year.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance (include medical, retirement and unemployment insurances) and income tax</p>		
<p>I: Have these deductions been made?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>I1: Please list all deductions that have been made.</p>	<p>1. Income tax 2. Social insurance Please describe: The deductions were made from gross earnings as legally required.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. Nil Please describe: N/A</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>K1: Type</p>	

	<input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Attendance records accurately reflected the employees' working hours.
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: In China, there was no legally defined living wage.
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: There was an annual review when local wage rates were examined.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: As per the provided payroll records, the equal rates were paid for equal work.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The time records from May 1, 2021 to the audit date were provided for review. There was no peak or low season in the facility.
2. The facility used face scanning time recording system to record working hours for all the employees. All the employees in the facility scanned their face for each time-in and time-out. Regular overtime was conducted by all the employees 1 to 3 times per week, 2 hours per time. Rest Day overtime was conducted by all the employees, 4 to 5 times per month, 8 hours per time. No statutory holiday overtime was conducted by the production employee in the facility.
3. The 7th day rest was provided to all the employees in the facility.
4. The maximum weekly working hours including overtime hours were 54 hours. And the maximum monthly overtime in sampled month was 52 hours.
5. All interviewed workers stated that overtime was conducted on a voluntary basis.
6. No comprehensive working hour system waiver was maintained by the facility.

7. No inconsistency was identified among attendance records, production records and workers interview.

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

Details:

- Factory policy on working hours
- Time records, leave application form, time records machine, original time record system
- Production records
- Management and employees' interview.

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

According to the attendance records of employees from May 1, 2021 to the audit day provided by the factory, it was noted the monthly overtime hours exceeded 36 hours in past year except May 2021, January and February of 2022. Based on 10 sampled workers' time records in July 2021, December 2021 and April 2022. The monthly overtime working hours details as:

- 1) In July 2021, all the 10 sampled workers monthly overtime working hours exceeded 36 hours, all up to 52 hours.
- 2) In December 2021, all the 10 sampled workers monthly overtime working hours exceeded 36 hours, all up to 44 hours.
- 3) In April 2022, all the 10 sampled workers monthly overtime working hours exceeded 36 hours, all up to 50 hours.

Local law and/or ETI requirement:

Local law of PRC Labour Law, Article 41

The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

ETI requirement 6.1

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

Recommended corrective action:

It is recommended that the facility should control the monthly overtime hours within 36 hours.

Objective evidence observed:

1. Attendance records, management and worker interview

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

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

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)	
Systems & Processes	
A. What timekeeping systems are used: time card etc.	Describe: Face recognition attendance system
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If YES, please complete as appropriate:
	<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other
	If "Other", Please define: N/A
E. Do any standard/contracted working hours defined in contracts/employment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A

agreements exceed 48 hours per week?		
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: 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 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: July 2021: 2 hours per day, 14 hours per week, 52 hours per month December 2021: 2 hours per day, 14 hours per week, 44 hours per month April 2022: 2 hours per day, 14 hours per week, 50 hours per month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___100_%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:

		Contracts stated that overtime may be requested but it was voluntary, and employee also stated that overtime was voluntary.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 150%, 200% and 300% of regular rate for regular overtime, rest day overtime and statutory holiday overtime respectively were paid to the employees.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: Hourly rate paid for all the employees, 100% workers were paid for overtime wages as local law together with normal wages on a month basis.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (Maybe standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: According to worker and management interview, extra overtime was conducted to make up for labour shortages or increased order volumes, rather than took on another shift.	
R: If sufficient workers cannot be hired, are new working time	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

<p>arrangements explored to ensure that overtime is the exception rather than the rule.</p>	
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<p>7: No Discrimination is Practiced (Click here to return to summary of findings)</p>
<p>ETI</p>
<p>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.</p>

<p>Current Systems and Evidence Examined</p> <p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> The facility had established the anti-discrimination policy and the employees were trained on this policy. Through documents review, management and workers interview, there was no evidence of discrimination in hiring, compensation, access to training, promotion, termination or retirement in the facility. Gender divisions did not exist in the facility, both female and male workers were distributed in all types and treated equally. The facility provided the same wage level to male/female employees. No worker was required to do the examination of the hepatitis B virus and HIV. There was an internal grievance process, and all interviewed workers were clear about the grievance channels in case they encountered any discrimination cases. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> - Policy on discrimination, employee manual book, working hour rules, hiring procedures, leave application records etc. - Payrolls - Attendance records - Termination records - Training records. - Employees interview <p>Any other comments: Nil</p>

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>67</u> % A2: Female <u>33</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <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 C1: Please give details: No evidence of discrimination detected

Professional Development	
A: What type of training and development are available for workers?	Technical training, working post improvement training, etc.

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

Observation:	
Description of observation: None was observed Local law or ETI requirement:	Objective evidence observed: N/A

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

8: Regular Employment Is Provided <i>(Click here to return to summary of findings)</i> <i>(Click here to return to Key Information)</i>
ETI
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>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.</p> <p style="text-align: center;">Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>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.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>

Current Systems and Evidence Examined
<i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i>
Current systems:
<ol style="list-style-type: none"> The facility had established the complete hiring procedure and employees were provided with the related training. The facility had signed labour contracts with all employees. The language used for all the labour contracts was Chinese and understood by the employee as per interview. All provided labour

contracts were properly itemized and valid. And it was noted that all permanent workers were recruited by the factory directly.

3. As reported, copies of labour contracts were provided to all employees.
4. Workers paid no recruitment fee at any stage of the recruitment process.

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

Details:

- Hiring policy and termination policy
- Personal files
- Labour contracts
- Interview

Any other comments:
Nil

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

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

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

Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other - C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	Cutting, assembly and packing
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0

	B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please describe finding: N/A No voluntary deductions were conducted for the migrant workers in the facility.	C2: Observations: Nil
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If yes, number and example of roles: There was no migrant employees in skilled, technical, or management roles.	

NON-EMPLOYEE WORKERS

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

C: If any checked, give details:	N/A
----------------------------------	-----

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A No agency worker utilized
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: N/A
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: N/A

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All production processes were present in the unit and no process was sub-contracted to other factories.
2. No homeworker was identified by auditors currently. And the factory established policy on not hiring homeworking.
3. Systems and processes were in place to manage sub-contracting, homeworking and external processing if they were used by the facility.

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

Details:

- Onsite observation
- Materials in/out records
- Management interview
- Employee interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

None was observed

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

N/A

Observation:	
Description of observation: None was observed Local law or ETI/Additional elements requirement: N/A Comments: N/A	Objective evidence observed: N/A

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

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

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

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

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The contact information of 3rd party such as Chinese association of labour, local labour union and community were posted in the facility.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>All employees reported that they knew how to use the emergency call to report violations and they could use the suggestion box to make complaints if they were not satisfied with something.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Suggestion box, hotline, worker representative, etc.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Worker could bring up grievance through suggestion box, and worker representatives.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> The facility had established the written policy on anti-harassment and anti-abuse. The facility had established disciplinary procedure for workers' misbehaviour, which included oral warning, written warning and finally termination. The facility had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure. Employees could express the grievance through worker representatives, hot line and suggestion boxes. Any received complaint would be handled by management, without any reprisal for the worker in question. No abuse, harassment or disciplinary deduction was reported during the interview. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> - Policy on disciplinary, harsh treatment and grievances. - Training records and meeting records etc. - Management and worker interview. <p>Any other comments: Nil</p>

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

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

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

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

1. No foreign migrant worker was hired by the facility. Per document review, factory management and worker interview, all workers in the factory were Chinese.
2. All workers had the proper legal rights to work in this region.
3. All the employees were recruited directly by the factory.

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

Details:

- Hiring procedures
- Personal files
- Labour contracts
- Employees' manual
- Management and worker interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

None was observed

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

N/A

Observation:	
Description of observation: None was observed Local law or ETI/Additional Elements requirement: N/A Comments: N/A	Objective evidence observed: N/A

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

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established written procedure for environment management and appointed Mr. MEI Sanfeng/General Manager as responsible person. And they made continuous improvements in their environmental performance.
2. Environment policy and risk assessment had been conducted for environment.
3. The factory had required its suppliers to commit to be compliant with local law regarding environment issues.
4. The hazardous waste such as empty chemical containers and etc., were properly recycled by the chemical supplier, and the relevant disposal contract and transferring records were provided for review.

5. Based onsite observation, waste air and high noise were produced in the facility, which were tested annually. There was no industrial waste water discharged by the facility.
6. And the general wastes including domestic waste were classified and handled properly. The factory was clear about their end client's environmental standards/code requirements and established policy to accord their environmental requirements.
7. The factory collected relevant laws on environment to comply with the requirements of local and international laws. The factory had registered its pollution emission on the website of national discharge permit management information platform. And it was not required to conduct EIA in the facility as per the local law.
8. The factory had made statistic and analysis for the use and discharge of natural resources e.g. water use and electricity use.
9. The facility completed the appropriate section of the SMETA Audit Application form and made it available to the auditor.
10. No administrative penalty related to environmental issues for the past year was identified.

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

Details:

- Onsite observation
- Environment protection policy
- Government approval documents and licenses
- Training records
- Management and employee interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI/Additional Elements requirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

(where relevant please add photo numbers)

N/A

Observation:

Description of observation:

None was observed

Local law or ETI/Additional elements requirement:

N/A

Comments:

N/A

Objective evidence observed:

N/A

Good examples observed:

Description of Good Example (GE): None was observed	Objective Evidence Observed: N/A
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Environmental Analysis	
<i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Yes, Mr. MEI Sanfeng/General Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The site conducted a risk assessment on the environmental impact of the site. All related records had been provided for review.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: The facility did not have a recognised environmental system certification such as ISO 14000.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The environmental policy was provided for review during audit.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The policy addressed the domestic waste from their operations. And the site had set the rated energy conservation and emission reduction policy.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A The facility did not have such environmental certificate.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The factory had registered its pollution emission on the website of national discharge permit management information platform. And it was not required to conduct EIA in the facility as per the local law.

I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The factory provided chemical list and storage records for review during audit.	
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility had established an internal management system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.	
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had established policies to reduce energy and resource loss.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Weights of recycled wastes were recorded for continuous improvement targets.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had conducted statistics and analysis for the use and discharge of natural resources e.g. water usage and electricity usage.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: N/A No sub-Contracting agencies or business partners was operating on the premises.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: ____2021 (from January to December)____	Current Year: Please state period: ____2022 (from January to April)
Electricity Usage: Kw/hrs	90,294	21,713
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If Yes , please state result	N/A	N/A
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> Municipal water supply 	<ul style="list-style-type: none"> Municipal water supply
Water Volume Used: <i>(m³)</i>	3,334	943
Water Discharged: <i>Please list all receiving waters/ recipients.</i>	<ul style="list-style-type: none"> Municipal sewage treatment plant 	<ul style="list-style-type: none"> Municipal sewage treatment plant
Water Volume Discharged: <i>(m³)</i>	3,320	940
Water Volume Recycled: <i>(m³)</i>	0	0
Total waste Produced <i>(please state units)</i>	8.6 tons	2.15 tons
Total hazardous waste Produced: <i>(please state units)</i>	0.08 ton	0.02 ton
Waste to Recycling: <i>(please state units)</i>	8.45 tons	2.10 tons
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	Material waste & office waste: 0.07 ton	Material waste & office waste: 0.03 ton
Total Product Produced <i>(please state units)</i>	5 million sets	1.2 million sets

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established written procedure for business ethic management and appointed Mr. MEI Sanfeng/General Manager as responsible person for implementing standards.
2. The management policy of integrity and business ethic was published by General Manager, which was communicated to workers through posters and training. In addition, the staff whose job roles carrying a higher level of risk in the area of ethical Business Practice were well trained.
3. The factory had established written procedure for against bribery and corruption and it was clearly communicated to suppliers and clients by email or telephone.
4. The factory had established reporting measures regarding unethical business practices such as suggestion box and anonymity complaint hotline.
5. The facility conducted its business ethically without bribery, corruption, or any type of fraudulent Business Practice.

- 6. The site had received and read the Business Ethics policy of the audit company, and signed on it.
- 7. No fines/prosecutions related to Business Ethics for the past year was identified.

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

Details:

- Business Ethics policy
- Corruption training records, Worker handbook
- Management and employee interview

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI /Additional Elements requirement:
N/A

Recommended corrective action:
N/A

Objective evidence observed:
N/A

Observation

Description of observation:

None was observed

Local law or ETI/Additional elements requirement:
N/A

Comments:
N/A

Objective evidence observed:
N/A

Good examples observed:

Description of Good Example (GE):
None was observed

Objective Evidence Observed:
N/A

A: 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

A1: Please give details: There was a written policy on the need to avoid bribes and fraudulent practices.

<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: Ethical training was provided to all employees annually.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: The policy was updated annually.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: As per the facility management, they also require third parties including suppliers to complete their own business ethics training.</p>

Other findings

Other Findings Outside the Scope of the Code
Nil










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










Appendix 1









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

Not Applicable please x

Photo Form

		
<p>Factory name</p>	<p>Factory outlook</p>	<p>Finished-product storage area</p>
		
<p>Raw material warehouse 1</p>	<p>Raw material warehouse 2</p>	<p>Assembly & packing</p>
		
<p>Gluing 1</p>	<p>Gluing 2</p>	<p>Die cutting section</p>

		
<p>Folding</p>	<p>Control panel well labelled</p>	<p>Eye washing device</p>
		
<p>Chemicals well stored</p>	<p>Emergency exit with light & sign & with fire alarm & fire extinguishers installed</p>	<p>Fire hydrant</p>
		
<p>First aid kit</p>	<p>Evacuation plot plan</p>	<p>Assembly point marked</p>

		
<p>Gluing employee wearing proper anti-chemical mask & rubber gloves</p>	<p>Toilet</p>	<p>Attendance recording machine</p>
		
<p>Drinking water</p>	<p>Suggest box</p>	<p>ETI Code posted</p>
		
<p>NC 1: Control panel not locked with electrical wires exposed</p>	<p>NC 2: Control panel not labelled with warning sign</p>	



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

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

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