



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC422609281	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS422609283	
Business name (Company name):	Winbalance Enterprise CO LTD			
Site name:	Winbalance Enterprise CO LTD			
Site address:	No. 30 Jifalongshan Road Environmental Industrial Park Jimo , Qingdao, China. 山东省青岛市即墨区青岛 环保产业园即发龙山路 30号 Qingdao 266000 CN	Country:	CN	
Site contact and job title:	Feng Shuai / QA Manager			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-02-01			

Audit Company Name:
Benchmarks Company Limited

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

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents
2-Pillar SMETA Audit
 - ETI Base Code
 - SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,**4-Pillar SMETA**
 - 2-Pillar requirements plus
 - Additional Pillar assessment of Environment
 - Additional Pillar assessment of Business Ethics
 - The Customer's Supplier Code (Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Michael Chang	APSCA Number:	21702964
Additional Auditors:			
Date of declaration:	2023-02-01		

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

Site Representation	
Full Name:	Feng Shuai
Title:	QA Manager
Date of declaration:	2023-02-01
Comments:	Nil

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1 3.1	§1 §2 §3	5	0	0	NC - ZAF600012670 NC - ZAF600012671 NC - ZAF600012672 NC - ZAF600012673 NC - ZAF600012674
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>	6.1	§4	1	0	0	NC - ZAF600012675
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, firefighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightning-proof, static-proof, antiseptics, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.
§2	In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.

<p>§3</p>	<p>In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination. The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts. The occupational health examination shall be undertaken by the medical health institutions approved by the administrative departments of health of the people's governments at the provincial level and above.</p>
<p>§4</p>	<p>In accordance with Article 41 of the Labor Law of the PRC after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p>

Site Details

Site Details		
Company Name	Winbalance Enterprise CO LTD	
Site Name	Winbalance Enterprise CO LTD	
GPS location (if available)	GPS Address:	No. 30 Jifalongshan Road, Environmental Industrial Park, Jimo District, Qingdao City.
	Coordinates:	Latitude: 36°25'16"N Longitude: 120°23'8"E
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 91370282773521158F; Valid date: from 01 June, 2005 to 01 June, 2025.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	furniture	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Winbalance Enterprise Co., Ltd. was located at No. 30 Jifalongshan Road, Environmental Industrial Park, Jimo District, Qingdao City. The total area occupied was approx. 7385.6 sq. meters. The factory consisted of one 2-storey building as office, one 3-storey building as workshop and warehouse, one 3-storey building as office and canteen, one 1-storey building as workshop and warehouse. No dormitory was provided to employees. A total of 65 employees (male: 44 & female: 21) were currently working in the facility, which included 21 production employees and 44 non-production employees. All were permanent. All employees were hired by the facility directly. No migrant worker was used.	

Structure and number of buildings	Building Name:		office building 1
	Floor	Description	Remark
	1	office	nil
	2	office	nil
	Building Name:		office building 2
	Floor	Description	Remark
	1	canteen	nil
	2	office	nil
	3	office	nil
	Building Name:		production building 1
	Floor	Description	Remark
	1	production line 1 and warehouse	nil
	2	production line 2	nil
	3	sample room	nil
	Building Name:		production building 2
Floor	Description	Remark	
1	workshop and warehouse	nil	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no visible structural integrity issue (e.g. large cracks) found during the audit.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site obtained the building structure safety certificate on 07 January, 2006 and 25 June, 2008.		
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season			
Process overview	The main product on site was furniture. Main processes consisted of polishing, paint spraying, assembling, inspection and packaging. The factory had 2 production lines. Main equipment was polishing machine, drilling machine etc.		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	Mr. Chen Guangzhi and Ms. Zhang Yuyan		

Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided to employee.

Audit Parameters		
Time in and time out	Day 1	
	In	09:00
	Out	17:00
Audit type:	Full initial	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Feng Shuai / QA Manager	
Is further information available	No	

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	N/A. There was no union at this factory.		
<i>Reason for absence during the audit</i>	N/A. There was no union at this factory.		
<i>Reason for absence at the closing meeting</i>	N/A. There was no union at this 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	17	0	0	0	0	0	0	17
Worker numbers – female	4	0	0	0	0	0	0	4
Total	21	0	0	0	0	0	0	21
Number of Workers interviewed – male	8	0	0	0	0	0	0	8
Number of Workers interviewed – female	2	0	0	0	0	0	0	2
Total – interviewed sample size	10	0	0	0	0	0	0	10

Nationalities Structure	
Nationality of Management	Chinese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. Month(s) of peak season was not obvious.
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 100%
	Salaried: 0%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: N/A

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 5 Female: 1
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Nil
What did the workers like the most about working at this site?	The wages and working environment were appropriate. Wage was paid on time. The factory management treated them well and factory nearby their home.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Favourable
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
10 workers were randomly selected from different departments for private interview. During the whole process, the interviewed workers were positive toward the management and the company. No hint of coaching was noted. Fire drills were conducted in the factory. They had drinking water and first aid kits in workshops. They were satisfied with the good working condition, timely payment provided by the factory, and factory treated them with respect. According to the workers' interview, no any exception was found. No harsh or inhumane implementation and discrimination was reported during this audit.
Attitude of worker's committee/union reps:
The worker representative was interviewed during the audit. He stated that he was elected by employees. And the factory management held the meeting with them for collecting employees' comments every 3 months. During daily work, he collected the comments on the factory from employees. He provided the positive information on the factory to auditor during audit.
Attitude of managers:
The factory management was positive towards auditor, they provided relevant documents to auditor for review, showed auditor the production process during factory tour, and provided auditor an independent room for workers' interview. At the closing meeting, auditor provided the factory representative a general overview, and explained all findings to them. Meantime, auditor made the corrective suggestions corresponding to findings to the factory representatives, Mr. Feng Shuai / QA Manager, signed the CAPR.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory had a written human rights policy covering human rights impacts and issues, which was published by the general manager.
- The facility had its grievance mechanism for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
- No adverse impact evidence on human rights within any of their stakeholders was detected.
- Mr. Feng Shuai / QA Manager was responsible for implementing standards concerning Human rights.

Evidence examined:

Details:

- Human rights policy.
- Employee handbook.
- Anonymous grievance records from suggestion box.
- Appoint letter of human right representative.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory's policy showed that they committed to the employees' universal rights. The policy was approved by general manager.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies were included in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Feng Shuai / QA Manager

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box, phone and email.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files were kept locked away in the human resources office and only viewed by the HR manager.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 2% This year 1%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 1% This year 1%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No accident happened in the factory.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0% This year 0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0%

Lost day work cases per 100 workers($\frac{\text{Number of lost days due to work accidents and work related injuries} * 100}{\text{Number of total workers}}$)	Last year	0%
	This year	0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%

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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Responsibility for meeting the legal and client code requirements belonged to Mr. Feng Shuai / QA Manager.
- Overall responsibility for meeting the standards was taken by Mr. Feng Shuai / QA Manager.
- There was an internal audit team who in addition take on the role for internal audit of the social standards of the factory and they report to the HR staff and Health & Production manager jointly to report their findings. The recent internal audit was conducted on 16 April, 2022.
- Implementation of any necessary changes was then given to the individual department heads after agreement with the HR Manager.

Evidence examined:

Details:

- Internal audit documents (the quality manager audits the personnel and wages systems of the factory).
- A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements, and all of these were implemented.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such record was noted in any public information channel. And this was confirmed through employee and management interview.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies existed for Forced labour, Child Labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training for identifying and reducing the risks to all related employees, in order to ensure the effective implement of policy. The training records were kept. And this was also confirmed by interview with employees and management staffs.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The training records were available in the factory.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: - Training for management/supervisors. - Introductory training record for all employees included new employees. - Confirmed via management and worker interview.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO 9000 certification No.: 04621Q15324R2M; Date of issue: 2021-08-03; Date of Expiry: 2024-08-02.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Ke Haibin / Office Manager in charge of the Human Resource.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Feng Shuai / QA Manager
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory had procedure to ensure workers' information was confidential, such as for workers' ID copy, address and contact information, etc.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All worker information was kept locked in files in the personnel office.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted the risk assessment to evaluate if the policy and procedure was effective annually.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Any problems found at internal audit were brought to the attention of senior management and corrective action was taken.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had supplier management procedure with requirements for them to implement ETI code.
Land Rights	

<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Factory provided business license to prove the land using was legal, and no relevant negative information based on interview and web search.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory set up the procedure and appointed executive department 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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>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. So 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>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A, facility was the owner of the land.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No such thing happened.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>All the areas of factory were legal according to the interview and document review.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements
 1.1 There is no forced, bonded or involuntary prison labour.
 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- Per document review and interview, there was no forced, bonded labour in the facility. No prison labour would be used.
- Workers were not required to lodge deposit or their identify papers with their employer and were free to leave their employer.
- The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.

Evidence examined:

Details:

- Personnel files.
- Resignation records.
- Factory rules.
- Employee handbook.
- Management and worker interview.
- Contracts for security guards.

Any other comments:

Nil

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

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details: The site understood the risks of forced / trafficked / bonded labour in its supply chain. The factory established the written policy on prohibition of forced/Trafficked/Bonded labour in its supply chain. No any forced / trafficked / bonded labour was detected in its supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory established the relevant policy and trainings were provided to all employees.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Workers had the right to join or form trade union of their own choosing and to bargain collectively.
- There was no union on site.
- The committee members were chosen by fellow workers.
- The employer adopted an open attitude towards the activities of trade unions and their organisational activities.

Evidence examined:

Details:

- Through employee interview, workers were free to join or form trade union of their own choosing and to bargain collectively.
- Interview with workers.
- Interview with worker committee member.
- Interview with management.
- The employers had an open attitude toward the activities of trade unions and their organisational activities.

Any other comments:

Nil

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

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a room in the office provided to worker committee and EHS committee to conduct the relevant business. Per document review, the most recent meeting of EHS committee was held on 22 November, 2022.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	A worker's committee in place with 2 worker members elected by the workers.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers were aware of their representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-02-17
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	According to meeting minutes, the interview with worker representative and employees, the last meeting of worker committee was held for 1 hour on 16 December, 2022. The worker representative communicated to the arrangement for COVID-19 prevention and controlling.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management

- Mr. Feng Shuai/QA Manager was appointed as Health & Safety Manager Leader.
- Potable water was freely available in all areas and test certificate was up-to-date.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings showed that there were meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
- Workers received regular Health & Safety training.

2. Fire Safety

- Safety exits in all areas were clearly marked.
- Fire-fighting equipment was adequate and checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all workers interviewed.
- Fire drills were organised and recorded twice a year in the factory.
- Trainings had been given by the local fire department and fire marshals had been specially selected for extra training.

3. Electrical safety

- Checking records for electrical equipment was maintained and provided for review.
- Factory provided the special operator certificate for the electrician in the factory for review.

4. Medical services

- There were adequate first aid kits in each production area.
- There was 1 first aider, and the first aider had been trained at the local Red Cross Committee.

5. Chemical safety

- Material Safety Data Sheets and safety labels were available for chemicals. Secondary containment installation was built for chemicals stored and used.
- Eyes washing facility was kept well.

Evidence examined:

<p>Details:</p> <ul style="list-style-type: none"> •The Health and safety policy. •Health and safety manual. •Health and safety committee minutes. •Training records and certificates. •Government licenses. •Fire equipment maintenance records. •Fire drill and evacuation records (conducted on 25 March, 2022 and 16 November, 2022). •Building structure safety certificate (issued on 07 January, 2006 and 25 June, 2008). •Fire safety certificate (issued on 24 January, 2006 and 04 August, 2008). •Checks on fire equipment. •Accident records. •Electrician certificate. •Interview with H&S manager and committee member. •Interview with workers. •Site tour. •Etc.
<p>Any other comments:</p>
<p>Nil</p>

<p>Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had the general H&S and occupational Health & Safety policies and procedures, and the factory had an H&S manager and an H&S committee who met regularly.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>EHS policies were included in the worker's manual.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No any structural additions.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The H&S notice and necessary PPE would be provided to all visitors when they entered the factory or production area.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No medical room was in the factory, but the sufficient first aid kits and first aider were available in the factory.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Doctor or nurse was not necessary on site. But there was one trained first aider available in the factory.</p>

<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, the factory did not provide transport to employee.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, the factory did not provide dormitory to employee.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory performed risk assessment for the workplace based on different positions and the relevant documents were provided for review.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The site met its legal obligations on environmental requirements.</p>
<p>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</p> <p>Please give details: Per document review and interview, the factory was in accordance with the legal requirement. Also it met the customer requirements on environmental standards.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Reference	ZAF600012670	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	215 - Evacuation plan not adequately communicated to workers	
Subcategory	Fire Safety - Fire alarms & Evacuation	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Insufficient information in evacuation plan. It was noted that although emergency evacuation plans were available in the factory, location of fire-fighting equipment and reader's position were not marked. 逃生图中信息不全。审核员发现工厂有张贴逃生示意图，但逃生示意图中没有包含消防器材的位置和读图者位置。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that emergency evacuation plans with sufficient information are prepared and posted in the factory. 建议为工厂准备和张贴的逃生示意图信息完整。	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Reference	ZAF600012671	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, firefighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptis, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.</p>	
ETI code	<p>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p>	
Explanation to the non compliance	<p>No anti-leakage facility (e.g. secondary container). It was noted that there was no anti-leakage facility (e.g. secondary container) in the paint spraying workshop for thinner and paint. 无防渗漏设施(例如：二次容器)。审核员发现工厂没有为存放在喷漆车间的油漆和稀释剂设置防渗漏设施/二次容器。</p>	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	

Actions	It is recommended that management adopt practices and controls to ensure that the anti-leakage facility (e.g. secondary container) is used for thinner and paint in the paint spraying workshop. 建议工厂为存放在喷漆车间的油漆和稀释剂设置防渗漏设施/二次容器。	
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Reference	ZAF600012672	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Employee did not wear the provided PPE. It was noted that 3 out of 6 workers in the assembling workshop did not wear the protective earplugs during operation though earplugs were available for them. 员工没有佩戴提供的个人防护用品。审核员发现组装车间的3/6名员工没有佩戴工厂提供的防护耳塞。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that necessary personal protective equipment is provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately. 建议工厂为相关的员工提供必要的个人防护用品，并确保他	

	们正确佩戴。
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Non-Compliance	Evidence																										
[Back to findings summary]																											
<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Reference</td> <td>ZAF600012673</td> </tr> <tr> <td>Clause</td> <td>3 - Working Conditions are Safe and Hygienic</td> </tr> <tr> <td>Issue Title</td> <td>289 - First aid box available but contents are missing / contents out of date or otherwise inadequate</td> </tr> <tr> <td>Subcategory</td> <td>First Aid / Accidents</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>ETI code</td> <td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>Insufficient supply in first aid kit. It was noted that although first aid kits were available in the workshops, the supplies in the first aid kits were insufficient. The disposable gloves and scissors were not provided. 急救药箱药品不足。审核员发现车间的急救药箱药物不足，没有提供医用手套和剪刀。</td> </tr> <tr> <td>Follow up method</td> <td> <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other </td> </tr> <tr> <td>Actions</td> <td>It is recommended that management adopt practices and controls to ensure that first aid kits with sufficient supplies are available in the factory. 建议工厂在车间配置有足够的药物的急救药箱。</td> </tr> </tbody> </table>		Non-Compliance		Reference	ZAF600012673	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	289 - First aid box available but contents are missing / contents out of date or otherwise inadequate	Subcategory	First Aid / Accidents	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	Insufficient supply in first aid kit. It was noted that although first aid kits were available in the workshops, the supplies in the first aid kits were insufficient. The disposable gloves and scissors were not provided. 急救药箱药品不足。审核员发现车间的急救药箱药物不足，没有提供医用手套和剪刀。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	It is recommended that management adopt practices and controls to ensure that first aid kits with sufficient supplies are available in the factory. 建议工厂在车间配置有足够的药物的急救药箱。
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Reference	ZAF600012674	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	318 - Inadequate / isolated failure in conducting medical examinations/ occupational health checks of workers in hazardous situations (e.g. noise / chemicals / dust)	
Subcategory	Worker Health	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination. The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts. The occupational health examination shall be undertaken by the medical health institutions approved by the administrative departments of health of the people's governments at the provincial level and above.</p>	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	

Explanation to the non compliance	<p>No regular health check for occupational disease. It was noted that the factory provided the occupational health checks to employees in paint spraying workshop who were in contact with hazardous materials yearly. However, the occupational health checks were not provided to employees before they take the posts or leave the posts. 无定期的职业病体检。审核员发现厂方有每年为在喷漆车间接触有毒有害物质的员工提供职业病体检，但工厂并没有组织这些员工在上岗前和离岗时进行职业病体检。</p>		
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	<p>It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all employees handling hazardous materials. 建议工厂给在喷漆车间接触有毒有害物质的员工提供定期体检。</p>		

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory set up a recruitment procedure for prohibiting hiring child labour aged less than 16 years.
- According to management interview, the factory required all interviewers to show their age document at the time of employment and all interviewers' age document was kept in personnel files after the factory hired them.
- During the personnel files of employees' review and employees' interview, the youngest employee was 20 years old.

Evidence examined:

Details:

- Recruitment procedure.
- Latest employee list.
- Personnel files of all workers.
- Interview with management and workers.
- Site tour.

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	20
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current Systems:

- All employees' wages were calculated by hourly rate in the factory. The minimum wage RMB12.65 per hour was paid to employees.
- All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment. And the particulars of their wages were provided to employees every month by payment slip.
- The factory management compensated all employees at a legal mandated rate for their overtime hours, 200% of regular wages for overtime works on rest days. No overtime work was noted on weekdays or statutory holidays.
- All employees were paid on 15th of each month by cash and each employee was given a payment slip. When employee got the payment slip, they signed on the record kept by HR.
- The maternity leave, paternity leave and annual leave were appropriately provided as normal working wage to employees.
- According to the social insurance payment receipt provided by factory management, all employees were provided with [pension, accident, unemployment, medical, maternity] insurance in January 2023.

Evidence examined:

Details:

- Wages and benefits policy and procedure.
- Local and national laws.
- Local legal min wage documents.
- Payroll records and corresponding attendance records.
- Overtime premiums records.
- Labour contracts for all workers.
- Resignation records.
- Production records.
- Social insurance payment receipts.
- Worker interview and management interview.

Any other comments:

Nil

Summary Information

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

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 0.0 Per Week: 8.0 Per Month: 40.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2100.0	Actual Per Day: 101.2 Per Week: 506.0 Per Month: 2200.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 202.4 Per Month: 809.6	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from March 2022 (at random) 10 samples from July 2022 (at random) 10 samples from December 2022 (the most recent month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	At least RMB12.65 per hour / RMB506 per week / RMB2200 per month		
Please indicate the breakdown of workforce per earnings	0% of workforce earning under minimum wage 0% of workforce earning minimum wage 100% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:N/A Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and Individual income tax deductions were required by law.		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	No any deductions that have been made.		
Please list all deductions that have not been made.	Social insurance and Individual income tax were afforded by the auditee.		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

<p>Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>According to the records provided by factory management and employee interview, all time worked was recorded and paid.</p>
<p>Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage</p> <p><input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK</p> <p><input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation</p> <p><input type="checkbox"/> Other – please give details:</p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory paid to all employees according to local legal requirement. And the factory management reviewed the current wage level annually for identifying whether it met the CPI and whether the wage should be increased.</p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Same wage was paid in same working position for same output.</p>
<p>How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque</p> <p><input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

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

6: Compliance Requirements
 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.
 6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:
 6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

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

Current Systems:

- Through employees' interview, overtime was voluntary.
- Factory established the policy and procedures regarding working hours. The normal working hours were 8 hours per day and 40 hours per week.
- Working hours were recorded by fingerprinting attendance machine. The factory provided payroll records from January 2022 to December 2022 and attendance records from 01 January, 2022 to audit day for review.
- The exemplified employees had at least one day off in every 7 days.
- The maximum working hours per week of sampled employees were 48 hours.
- The maximum overtime hour was 0 hour per weekday.

Evidence examined:

- Details:**
- Factory policy and procedures on working hours.
 - Time records provided by the factory.
 - Sampled employees' wage records and payment records.
 - Employee interview.
 - Quality and other records for crosschecking.

Any other comments:

Nil

Working hours' analysis

Systems & Processes

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

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	0 hour/day, 8 hours/week, 32 hours/month in March 2022 0 hour/day, 8 hours/week, 40 hours/month in July 2022 0 hour/day, 8 hours/week, 40 hours/month in December 2022
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Approximate percentage of total workers on highest overtime hours:	80%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: The factory's policy, procedures and employees' handbook stated the overtime was voluntary. Employees had right to choose working for overtime or not. And during the employee interview, employees confirmed that. No clause of forced overtime work was noted in any documents, eg. labour contracts, procedures, regulations or handbook.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% of normal wage for overtime on weekday; 200% of normal wage for overtime on rest day; 300% of normal wage for overtime on statutory holidays.

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

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Reference	ZAF600012675	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 41 of the Labor Law of the PRC after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p>	
ETI code	<p>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.</p>	
Explanation to the non compliance	<p>Monthly overtime hours exceeded the legal requirement. Based on the working hour records and payrolls of workers provided by the factory, it was identified that all 10 sampled workers had worked 40 hours' overtimes in July 2022 and all 10 sampled workers had worked 40 hours' overtimes in December 2022. 月加班时间超过法规要求。从厂方提供的工时工资记录中发现10名抽样员工在2022年7月的加班时间为40小时，10名抽样员工在2022年12月的加班时间为40小时。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂确保</p>	

	员工的加班时间符合法律要求。	
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7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory established the policy and procedures on anti-discrimination.
- The factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.
- Female and male employees had the same payment and working conditions.
- Employee's promotion was based on employee's ability and skill. The training was provided to employees based on working needed.
- No discrimination issue was noted during the audit.

Evidence examined:

Details:

- Anti-discrimination policy and social accountability manual.
- Hiring and termination procedure, leave application records and employee handbook.
- Attendance records.
- Payrolls.
- Training records.
- Termination records.
- Interview with management and workers.

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 61%	Female: 39%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	3	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A	
Professional Development		
What type of training and development are available for workers?	PPE using training, machine operating training, fire safety training etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements
 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
 Additional Elements: Responsible Recruitment
 8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
 8.5 Employment agencies must only supply workers registered with them.
 8.6 Workers pay no recruitment fee at any stage of the recruitment process.
 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current Systems:

- All employees were recruited by the factory directly. No labour agency was used to hire worker. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
- All workers had received a signed labour contract.

Evidence examined:

Details:

- The hiring and termination practises.
- Personal files.
- Payroll records were provided for review.

Any other comments:

Nil

Responsible Recruitment

All Workers

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

Migrant Workers

Type of work undertaken by migrant workers:	No migrant worker was used.
---------------------------------------------	-----------------------------

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

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

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.
8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

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

Current Systems:

•No Sub-Contracting or homeworking was used by the factory.

Evidence examined:

Details:

•Factory tour.
•Management interview and employee interview.

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

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

9: Compliance Requirements

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined

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

Current Systems:

- According to the factory's regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory.
- According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

Evidence examined:

Details:

- The relevant policy on prevention of harassment and abuse.
- Internal grievance procedure documentation.
- Disciplinary action records.
- Grievance records.
- Training records.
- Interview with management and workers.

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker Committee and suggestion box.
If yes, are workers aware of these channels and have access? Please give details.	Yes. The factory had established an internal open channel such as suggestion box for reporting any violations of Labour standards and H&S or any other grievances.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Confidential email, suggestion box, issues were discussed at senior management level and investigated.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Employees could raise their grievances directly to supervisors, worker representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- All employees were Chinese.
- All workers had the proper legal rights to work in this region. The youngest age was 20 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.

Evidence examined:

Details:

- Hiring procedure.
- Worker handbook.
- Personal files and contracts.
- Interview with management and workers.

Any other comments:

Nil

10B2 - Environment 2–Pillar
[Summary of Findings]

10B2: Compliance Requirements

10.B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.

Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

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:

- Site was aware of the significant environmental impact of their site and its processes and assigned environment personnel responsible for it.
- The factory was in accordance with the local environmental requirement.
- The solid waste was disposed appropriately.

Evidence examined:

Details:

- Environmental policy.
- Worker and management interview.
- Site tour.

Any other comments:

Nil

Attachments



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