



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 420310429	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 420347218
Business name (Company name):	Zhe Jiang SAS Zipper CO., LTD		
Site name:	Zhe Jiang SAS Zipper CO., LTD 浙江好合拉链股份有限公司		
Site address: <i>(Please include full address)</i>	NO.522 Taoyuan Road, Gaozhao Street, Xiuzhou District, Jiaxing City, Zhejiang Province 浙江省嘉兴市秀洲区高照街道桃园路 522 号	Country:	China
Site contact and job title:	Mr.Qiao Jianmin / Manager		
Site phone:	(86) 13736843219	Site e-mail:	qiao2010.ok@163.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar
			<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	Aug. 9-11, 2022		

<b>Audit Company Name &amp; Logo:</b>   <b>BCI COMPLIANCE GROUP</b>	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  Zhe Jiang SAS Zipper CO., LTD
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

To confirm the validity of this report, please visit

<https://www.sedex.com/audit-verifier/>

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Freyr Han APSCA number: CSCA 21702991

Lead auditor APSCA status: In Good Standing

Team auditor: Nil APSCA number: Nil

Interviewers: Freyr Han APSCA number: CSCA 21702991

Report writer: Freyr Han

Report reviewer: Elsa Huang

Date of declaration: Aug. 11, 2022

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

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	6	0	0	NC: 1.chemicals without label 2.chemicals without secondary container 3.No gap between stacks and wall 4.Some workers didn't use PPE 5.No pre-job and leaving job occupational health check 6.Electrical panels not covered
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5. <a href="#">Living Wages and Benefits</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1.The factory provided some social insurance for some employees.

6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Excessive monthly overtime hours
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

General observations and summary of the site:

This initial audit was conducted by BCI compliance group. One Auditor assessed the facility's operations against the ETI Base Code, and local legislation basis in 2.5 days.

The product manufactured at this site was Zippers.

Overall responsibility for meeting the standards was taken by Mr. Qiao Jianmin / Manager.

The facility had operated in the existing location since 2009.

There were a total of 211 employees (179 migrant employees) on site.

The youngest worker on site was over 18 years old (Date of birth: Nov. 18, 2003; Date of hire: Feb. 11, 2022).

There was no union at this factory.

Worker representative was present during the audit, and the worker representative was attended the opening and closing meeting.

There was evidence of both male and female in management and among supervisor.

Site had no obvious peak months.

Site used no sub-contract suppliers.

28 employees were selected for interview including 14 male and 14 female; they were interviewed as 4 groups of 5 and the 8 employees were interviewed

individually.

Standard hour on site was on average 40 hours/week; at least 1 day off in every 7-day-period was ensured.

Legal minimum wage was paid; the minimum wage paid by the factory to workers for regular working hours was RMB 14.37 per hour; the local legal minimum wage was RMB1,800 per month or RMB 10.34 per hour before Aug. 1, 2021 and RMB2,070 per month or RMB11.9 per hour since Aug. 1, 2021.

The overtime wage was paid appropriately to employees. Employees were paid with 150% of regular wage for weekday overtime hours and 200% of regular wage for rest day overtime hours. No overtime hour was noted on statutory holidays.

The normal working time in the factory was arranged from 7:30 to 11:30, 13:30 to 17:30. Working hours were recorded by swiping card system machine with time-in and time out information. All employees were paid hourly rate. Wages were issued at the 30th of the following month by cash with workers' signature on payrolls.

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



## Site Details

Site Details																	
A: Company Name:	Zhe Jiang SAS Zipper CO., LTD.																
B: Site name:	Zhe Jiang SAS Zipper CO., LTD. 浙江好合拉链股份有限公司																
C: GPS location: (If available)	GPS Address: NO.522 Taoyuan Road, Gaozhao Street, Xiuzhou District, Jiaxing City, Zhejiang Province	Latitude: N 30°46'8" Longitude: E 120°39'33"															
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 913304116912576999 Valid from 2009-06-22 to 2029-06-21																
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Zippers																
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Zhe Jiang SAS Zipper CO., LTD located at NO.522 Taoyuan Road, Gaozhao Street, Xiuzhou District, Jiaxing City, Zhejiang Province, China. There were 211 employees in the factory. There were 1 3-storey building used as warehouse and workshop, 1 4-storey building used as canteen and office and 1 7-storey building used as dormitory by the factory.</p> <p>A total of 211 employees were currently working in the facility, All were permanent. All employees were hired by the facility directly. For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building no1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Workshop and warehouse</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td>workshop</td> <td>Nil</td> </tr> <tr> <td>Floor 3</td> <td>workshop</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table>		Production Building no1	Description	Remark, if any	Floor 1	Workshop and warehouse	Nil	Floor 2	workshop	Nil	Floor 3	workshop	Nil	Is this a shared building?	No	
Production Building no1	Description	Remark, if any															
Floor 1	Workshop and warehouse	Nil															
Floor 2	workshop	Nil															
Floor 3	workshop	Nil															
Is this a shared building?	No																

	Production Building no2	Description	Remark, if any
	Floor 1	Office and canteen	Nil
	Floor 2	Office	Nil
	Floor 3	Office	
	Floor 4	Office	Nil
	Is this a shared building?	No	
	Production Building no3	Description	Remark, if any
	Floor 1	Dormitory	Nil
	Floor 2	Dormitory	Nil
	Floor 3	Dormitory	Nil
	Floor 4	Dormitory	Nil
	Floor 5	Dormitory	Nil
	Floor 6	Dormitory	Nil
	Floor 7	Dormitory	Nil
	Is this a shared building?	No	
<p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: There was no visible structural integrity issue (e.g. large cracks) found during the audit.</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details: The factory obtained the Building Structure Safety Certificate for all buildings</p>			
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider		

	<input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	Not obviously
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main product was Zippers. Main processes consisted of Outsourcing semi-finished products, Pressing teeth, Releasing materials, Rubberizing tape, Punching, Pressing pin box, Assembling slider, Top stopper, Bottom stopper, Cutting, inspection, Packing</p> <p>Main equipment were Die-casting Machine, plastic injection machine, Automatic threading and pulling machine, Bottom stop machine, Ultrasonic bonding machine, Coding machine, Polishing machine, Rolling spraying machine, Nylon mono filament forming machine, Webbing machine</p>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes approx. 94% of workers
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx.
N: Were all site-provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please give details

**Audit Parameters**

A: Time in and time out	A1: Day 1 Time in: 08:50 A2: Day 1 Time out: 16:55	A3: Day 2 Time in: 8:40 A4: Day 2 Time out: 16:50	A5: Day 3 Time in: 8:20 A6: Day 3 Time out:12:25
B: Number of auditor days used:	1 auditors x 2.5 days		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr.Qiao Jianmin / Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	Nil		
J: Previous audit type:	Nil		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> N/A		

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

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

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	5	0	0	83	0	0	0	88
Worker numbers – female	5	0	0	96	0	0	0	101
Total	10	0	0	179	0	0	0	189
Number of Workers interviewed – male	2	0	0	12	0	0	0	14
Number of Workers interviewed – female	2	0	0	12	0	0	0	14
Total – interviewed sample size	4	0	0	24	0	0	0	28



A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: __Chinese__</p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: No obvious peak season</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 __100__</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: __100__% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: __100__% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	5 workers in one group, 4 groups
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 4      D2: Female: 4
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaint was raised
I: What did the workers like the most about working at this site?	Wage always paid on time
J: Any additional comment(s) regarding interviews:	NA
K: Attitude of workers to hours worked:	Satisfied with the arrangement
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, please give details: The factory held meeting with worker representative for collecting employees comment every 3 months.	
M: Attitude of workers: <i>(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk</i>	



28 employees 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. They had fire drills 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 exceptions were found. No harsh or inhumane implementation and discrimination was reported during this audit.

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

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

The worker 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' comment every 3 months. During daily work, he collected the comment on the factory from employees. She provided the positive information on the factory to auditor during audit.

**O: Attitude of managers:**

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

The factory management was positive towards auditors, 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.Qiao Jianmin / Manager, signed the CAPR.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

According to the documents review the facility has established a system (policy and procedure) to endorse at the highest level, covering regular social compliance issue only, and ensure it is communicated to all appropriate parties, including its own suppliers.

The top managements including general manager, H&S supervisor, executive staffs were appointed to response to implement the standards. Mr. Qiao Jianmin Manager, who was the person responsible for implementing standards concerning employee universal rights.

The factory defined some stakeholders including local government functional department to keep good awareness in compliance and other social issues.

The factory encouraged the workers and staff to report any issues related to employee universal rights by name or anonymous.

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

Details:

1. The CSR (Corporation Social Responsibilities) Manual was reviewed. It stipulates complying with ETI Code, written policies and procedure required cascade the ETI code to its significant partner or suppliers.

2. The procedure and list of main stakeholders including local government functional department (e.g. Tax, social insurance, safety in production workplace), local society, etc.

3. Management interview and records reviewed showed the factory implemented the supplier monitoring annually, which could secure it to find the risk in employee universal right at very first time.

4. The factory had communicated the ETI code for all significant suppliers and established the supplier assessment policy, and the assessment records had provided for review.

5. The company used the suggestion box as the confidential report channel in the written procedures.

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details: The factory showed one commitment on the employee universal rights issued by general manager as well as owner with the factory chop.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: The factory set up a committee led by general manager to implement the standards.  Name: Mr.Qiao Jianmin  Job title: Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  C1: Please give details: The procedure required and encouraged the workers or stakeholders to report the any issue related to employee universal rights with full protection.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: If no, please give details NA</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  E1: Please give details: The policy and procedures concerning to the privacy protection was provided for review. The HR department did not have any improper practices according to this requirement.</p>

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

<b>Good examples observed:</b>	
Description of Good Example (GE): None observed	<b>Objective Evidence Observed:</b> Nil

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __4.5__ %	A2: This year __3.1__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	2.2%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __6.9__ %	C2: This year __2.7__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0 From May 2022 to Jul. 2022	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The manager provide the accident record in audit.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2021 Number: 0	F1: This year: 2022 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H1: Last year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I1: 6 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the	J1: 6 months __0__% workers	J1: 6 months __0__% workers

last 6 / 12 months:		
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**0B: Management system and Code Implementation**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

According to the documents review the facility has established a system to deliver compliance to the code which includes child labour prohibition system and overtime work control system.  
 All the interviewees understood the basic components of the code such as do not use child labour and the control of working hours.  
 The appointment letter of management representative for management of ETI compliance is also provided for review.  
 As per the provided photo from the facility's supplier, the facility had provided the ETI code to its supplier and requested them to post in their workshops.  
 And auditor crosschecked attendance records provided by management with related production records collected from workshops and interview 28 sample workers. No inconsistency was noted.

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

Details:

1. Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and employee interview
4. The factory had communicated the ETI code for all the suppliers and established the supplier assessment policy, and the assessment records had provided for review

Any other comments:  
 Nil

**Management Systems:**

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

- Yes
- No

A1: Please give details: No such record was

	noted in any public information channel as long as auditor fully acknowledge. And this was confirmed through employees and management interview.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory established policies and procedures on forced labour, child labour, discrimination, harassment & abuse and no negative evidence was found.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Based on worker and management interview, they knew the policies well.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided the training to management and workers. The related record was provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: N/A. The factory did not have system certifications.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Mr.Qiao Jianmin Manager was in charge of HR in the factory.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr.Qiao Jianmin Manager responsible for implement of the code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The information and privacy protection policy was available for review.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	J1: Please give details: The information and privacy protection procedure was available for review.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had the risk assessment including procedure and assessment records.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: 1. The factory assessed the risks related all aspects of the ETI code, e.g. Working hours, wages & benefits, harassment, discrimination, ethics, H&S, environment issue. 2. The control methods were advised and implemented if the middle or high risks were identified.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had supplier management procedure with requirements of ETI code.
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided the building property title certificate and relevant reports (fire safety, construction safety and environment).
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: 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: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The land in China mainland was belonged to State owned. Anybody, no matter the character was, could only rent for a periods.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The management stated they paid for usage for 50 years.



<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  R1: Please give details: This area was provided by local government as industry area.</p>
<p>S: 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  S1: Please give details: All the process of building was legal according to the interview and document.</p>

**Non-compliance:**

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

<p><b>Description of observation:</b>  None observed  <b>Local law or ETI requirement:</b>  <b>Comments:</b></p>	<p><b>Objective evidence observed:</b>    Nil</p>
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**Good Examples observed:**

<p><b>Description of Good Example (GE):</b>  None observed</p>	<p><b>Objective evidence observed:</b>  Nil</p>
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**1: Freely Chosen Employment**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Based on interview with the management & workers and document review, it was identified that the factory had established the employment policies & program.
- Factory established human resources policies – given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages on their last day of work.
- The employees obtained their job by HR market or by friend's recommendation.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no bonded or involuntary prison labor identified.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.

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

Details:

- The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review
- Personnel files
- Contracts to establish notice periods.
- Management interview and employee interview.
- Facility tour showed no sign of employees being under pressure

Any other comments:

Nil

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

C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: The practices of workers leaving complied with legal requirements.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: The factory employed Chinese only, which complied with local legal requirements and international codes.
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: The workers could leave the factory in his or her own willing even in the working time if he or she required.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory set up the policy and procedure to avoid any form of force labour in its supply chain.

**Non-compliance:**

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

<b>Description of observation:</b>	<b>Objective evidence</b>
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<p>None observed</p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>observed:</b></p> <p>Nil</p>
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Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None observed</p>	<p><b>Objective evidence observed:</b></p> <p>Nil</p>

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- There is no union in the factory.
- By workers interview, it was noted that workers could raise their complaint to the supervisor directly or through worker representatives, they elected 6 workers as their representatives at the date of Jan. 12, 2022.

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

Details:

- Complaint & handling record.
- Freedom of Association policies.

Any other comments:

Nil

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

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box or talk to management directly.  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There was a room in the office section was specific for that purpose.	
F: Name of union and union representative, if applicable:	NA	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	6 workers representatives were elected in factory	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Ms. Chen Chaoying Ms. Jiang Qin Mr. Xu Weimin Mr. Zhu Feng Mr. Yang Changdian Mr. Wang Yuecong
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: Jan. 12, 2022
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: one worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Confirmed with worker representative interview and worker interview, workers could complain to the representative directly or asked her for help when needed. The last meeting date was on Jul. 15, 2022, the topic was about Anti epidemic and Heatstroke prevention and cooling and 3 hours lasted.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If <b>Yes</b> , what percentage by trade	M1: <u>0</u> % workers covered by	M2: <u>0</u> % workers covered by

Union/worker representation	Union CBA	worker rep CBA
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA	

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

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

Good Examples observed:	
<p>Description of Good Example (GE):                       None observed</p>	<p><b>Objective evidence observed:</b>                       Nil</p>



### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

##### 1. General Health and Safety management.

- Mr. Qiao Jianmin was appointed as Health & Safety Manager for the site.
- Potable water was freely available in all areas.
- Sufficient clean toilets were available at all times to workers.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager, and each point is acted on.

##### 2. Fire Safety

- There were at least 2 exits from each work area and 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 drill was organized and recorded twice per year.

##### 3. Electrical and machine safety

- Most electrical equipment were maintained in good condition, but some electrical panels were not marked with warning signs.

##### 4. Medical services

- There were adequate first aid kits in workshop.
- There were 8 first aid personnel; they confirmed they had been trained at Local Hospital.

##### 5. Chemical Safety

- Chemical like paint, thinner, lubrication oil were used during production.
- Chemicals in warehouse were well stored and labeled, but chemicals in workshop were not labeled and not equipped with secondary containers.

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

Details:

- Facility tour
- Management interview and employee interview
- Health and safety policy
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- The Fire drill records were on Feb. 18, 2022 and Jul. 20, 2022.
- Building structure safety certificates for dormitory building was valid from Jun. 18, 2015.
- Building structure safety certificates for workshop building and office building were valid from Nov. 27, 2019.
- Fire safety certificates for dormitory building was valid from Jul. 30, 2015.
- Fire safety certificates for workshop building and office building were valid from Mar. 26, 2020.
- Trained first aid personnel register on Mar. 15, 2021.
- Accident reports
- Interviews with H&S manager
- Interviews with workers and H&S committee members

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details: The factory set up the policy and procedures and provided training including for those new workers.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  B1: Please give details: The employee manual, which was delivered to every workers covered general requirements of the H&amp;S requirements.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  C1: Please give details: According to the documents, the construction structure of the factory is consistent with the completion acceptance.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details: The factory informed the occupational hazard factors in each area and provided PPE to auditor.</p>
<p>E: Is a medical room or medical facility provided for workers?   If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  E1: Please give details: The first aid kit was provided in all workshops for worker.</p>
<p>F: Is there a doctor or nurse on site or</p>	<p><input checked="" type="checkbox"/> Yes</p>

there is easy access to first aider/ trained medical aid?	<input type="checkbox"/> No F1: Please give details: The factory had 8 qualified first aid personnel.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory did not provide transport for workers.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The factory provided locker for workers.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory performed risk assessment for the workplace and based on different people.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory provided all inspection report or legal certificate for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory meeting the local law and customer requirements.

**Non-compliance:**

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

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

It was noted that there was no label attached on the chemical used in carving operating area, such as lubrication oil.

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

**Local law:**

Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used, Article 23

Packages for toxic substances shall meet the national standards, and the safety labels for poisoning articles shall be stuck or fastened thereto in a way easily comprehensible to the workers. Packages for toxic substances shall have conspicuous warning marks and warning specifications in Chinese.

Units that trade in or use toxic substances shall not trade in nor use toxic substances without safety labels, warning marks and warning specifications in Chinese.

**ETI requirement:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Refer to NC Photo 1  
Factory tour

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

**Recommended corrective action:**

It was recommended that the factory should ensure labels are attached on the chemical for identification.

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

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

It was noted that the facility did not equip safety devices such as explosive prevention and anti-leakage facilities for its hazardous chemical (lubrication oil etc.) stored in workshop.

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

**Local law:**

Code of Design on Building Fire Protection and Prevention, GB50016-2014 Article 3.6.12, liquid warehouse facilities shall be installed the anti-leakage device. For the warehouse of should take measures to prevent water immersion.

**ETI requirement:**

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

**Recommended corrective action:**

It was recommended that the factory should provide facility for preventing liquid chemicals flooding and spreading in chemical warehouse and workshop.

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

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

It was noted that the gap between some stacks and walls was 0 meter in the warehouse, which was less than the local law of 0.5 meter.

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

**Local law:**

In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.

**Objective evidence observed:**  
(where relevant please add photo numbers)

Refer to NC Photo 2  
Factory tour

**Objective evidence observed:**  
(where relevant please add photo numbers)

Refer to NC Photo 3  
Factory tour

**ETI requirement:**

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

**Recommended corrective action:**

It is recommended that management adopt practices and a control to ensure that width of gap between stacks and walls are in accordance with the local law.

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

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

It was noted that, ear plugs were provided to workers but at least 3 workers did not wear it during operation.

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

**Local law:**

Production Safety Law of the People’s Republic of China (2014) Article 42  
The production and business operation entities shall provide labor protection articles that meet the national standards or industrial standards to the employees thereof, supervise and educate them to wear or use these articles according to the prescribed rules.

**ETI Base Code**

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

**Recommended corrective action:**

It was recommended that the factory should supervise the workers wear PPE during working time.

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

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

It was noted that the factory did not provide pre-job occupational health check and leaving job occupational health check to workers who were exposed to hazardous work environment.

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

**Local law:**

PRC Law of Prevention and Control of Occupational Diseases article 36  
The employer shall conduct regular occupational health examination for those

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Refer to NC Photo 4  
Factory tour

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Per document review

laborers who are engaged in using or contacting noxious articles in their working process as required by medical administrative department under the State Council. The occupational health examination should be conducted before laborers start to take work post, in the course of the work post and after leave the work post and employer should inform the laborers of the result of the occupational health examinations. The expense of the occupational health examination should be borne by employers.

**ETI Base Code**

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

**Recommended corrective action:**

The factory should provide pre-job occupational health check and leaving job occupational health check to workers who were exposed to hazardous work environment.

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

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

It was noted that at least two electrical control panels were not covered in dormitory building.

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

**Local law:**

General Guide for Safety of Electric User (GB/T 13869-2008)

7.3 The supply terminals left over from the dismantling of electrical products shall be dealing with carefully. It was prohibited to expose any potential charged conductive part.

**ETI Base Code**

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

**Recommended corrective action:**

It was recommended that the factory should ensure all the electrical control panels covered.

**Objective evidence observed:**  
(where relevant please add photo numbers)

Refer to NC Photo 5  
Factory tour

**Observation:**

**Description of observation:**

None was observed

**Objective evidence observed:**

Nil

**Local law or ETI requirement:**

<b>Recommended corrective action:</b>	
---------------------------------------	--

<b>Good Examples observed:</b>	
Description of Good Example (GE): None was observed	<b>Objective Evidence Observed:</b>  Nil

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Based on documents checking, the factory kept valid and sufficient age information such as copies of ID card. And personal files showed that no child labor or young worker was identified in the factory.
- Based on document review and workers interview, no child labor or young worker was found in the factory. The youngest worker on site was 18 years old who was born on Nov. 18, 2003 and joined in the factory on Feb. 11, 2022.
- Based on workers interview, HR staff interviewed with them and checked their ID cards.
- Based on on-site observation, there was no child labor found.

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

Details:

- Facility tour
- Management interview and employee interview.
- The employee's personnel files were provided for review. Each file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
- The facility's policy on child labour was reviewed. It states that the facility will never employ and use any child labor under the age of 16 years old.

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	18 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details

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

Observation:	
<b>Description of observation:</b> None observed  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>  Nil

Good Examples observed:	
<b>Description of Good Example (GE):</b>  None observed	<b>Objective Evidence Observed:</b> Nil

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Legal minimum wage was RMB1,800 per month or RMB 10.34 per hour before Aug. 1, 2021 and RMB2,070 per month or RMB11.9 per hour since Aug. 1, 2021.
- All workers' wages were calculated by hourly rate.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- The factory management compensated all workers at a legal mandated rate for their overtime hours, respectively 150%, 200% and 300% of regular pay for overtime work on working days, rest days and statutory holidays.
- All workers were paid on 30th of each month by cash and each worker was given a pay slip and signed for their wages.

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

Details:

- Production records: inspection records and material delivery records.
- Management and Employee interviews
- Recent 3 months' social insurance receipts
- Working hour policy
- Wages policy
- Leave management policy

Any other comments:

Nil

**Non-compliance:**

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

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

**Objective evidence observed:**

*(where relevant please*

<p>Based on the receipts for social insurance from Aug. 2021 – Jul. 2022, it was noted that insufficient social insurance coverage was identified, for example, as per the receipt for most current month of Jul. 2022, there were 211 employees in the factory, 108 out of 211 employees had participated in basic endowment insurance, injury insurance, unemployment insurance, maternity insurance, and medical insurance. Remark: The factory provided commercial insurance for Workers without social security.</p> <p><b>Local law:</b> In accordance with Article 73 of the Labor Law of the People’s Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount. (Effective from Aug 27, 2009)</p> <p><b>ETI requirement:</b> 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p><b>Recommended corrective action:</b> It is recommended that the factory should provide social insurance for all employees as per legal requirements.</p>	<p>add photo numbers)</p> <p>Document review and management interview</p>
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<b>Observation:</b>	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p> <p>Nil</p>

<b>Good Examples observed:</b>	
<p><b>Description of Good Example (GE):</b></p> <p>None observed</p>	<p><b>Objective Evidence Observed:</b></p> <p>Nil</p>

**Summary Information**

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal Maximum: 8 hours per day 40 hours per week	A1: 8 hours per day 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal Maximum: 3 hours per day 36 hours per month	B1: Weekday overtime: 2 hours overtime per day, 12 hours overtime per week, 48 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB1,800 per month or RMB 10.34 per hour before Aug. 1, 2021 and RMB2,070 per month or RMB11.9 per hour since Aug. 1, 2021.	C1: RMB 14.37 per hour	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150% of regular wage for weekday overtime; 200% of regular wage for weekend overtime; 300% of regular wage for holiday overtime	D1: 150% of regular wage for weekday overtime; 200% of regular wage for weekend overtime; 300% of regular wage for holiday overtime	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If <b>No</b> , why not?	N/A

<p>B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i></p>	<p>28 samples from Oct. 2021 (Random month) 28 samples from Dec. 2021 (Random month) 28 samples from Jun. 2022 (Current month)</p>		
<p>C: Are there different legal minimum wage grades? If <b>Yes</b>, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>C1: If <b>Yes</b>, please give details: N/A</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>D1: If <b>No</b>, please give details: N/A</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above</p>	<p>E1: Lowest actual wages found: At least RMB 14.37 per hour</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: __100__% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Nil</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance and income tax.</p>		
<p>I: Have these deductions been made?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>I1: Please list all deductions that <b>have</b> been made.</p>	<p>1. Nil 2. Please describe: The factory did not have deduction.</p>
		<p>I2: Please list all deductions that <b>have not</b> been made.</p>	<p>1. Personnel income tax 2. social insurance Please describe: Personnel income tax and social insurance were paid by factory.</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		

<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence: N/A
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>L1: Please give details: The workers stated the working time in factory would be paid according to law.</p>
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>M1: Please specify amount/time: The factory did not calculate the living wage and no such requirement were implemented in China.</p>
<p>M2: If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A	
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: Please give details: The factory periodically reviewed the wages include consideration to basic needs of workers plus discretionary income.</p>
<p>O: Are workers paid in a timely manner in line with local law?</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>P1: Please give details: The employees were paid based on their working hours, employees' skills and working experience in the factory. Equal rates were paid for equal work.</p>
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other	<p>Q1: If other, please explain:</p>

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- According to workers interview and time records, the regular working hour was from 7:30 to 11:30, from 13:30 to 17:30.
- Working hours was recorded by electronic attendance system machine; the factory provided attendance records from Jul. 2021 to the audit day.
- Based on the working time records, all employees had one day off in every 7 days.
- Based on the working time records, the most weekly working hours was 52 hours.

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

Details:

- Employee interview
- Management interview
- Factory policy on working hours
- Time cards records

- Sample pay slips with recorded hours all workers interviewed
- Quality and production records to cross check hours

Any other comments:  
Nil

**Non-compliance:**

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

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

It was noted that 28 out of 28 sample employees worked in excess of the statutory overtime hour limits.

A review of 28 sample population employees' time records of Oct. 2021, Dec. 2021 and Jun. 2022 yielded the following:

28 out of 28 employees worked in excess of 36 overtime hours per month was (i.e. 46 hours) in Oct. 2021, which wasn't in compliance with the legal requirement;

28 out of 28 employees worked in excess of 36 overtime hours per month was (i.e. 46 hours) in Dec. 2021, which wasn't in compliance with the legal requirement.

28 out of 28 employees worked in excess of 36 overtime hours per month was (i.e. 48 hours) in Aug. 2022, which wasn't in compliance with the legal requirement.

Remark: The factory didn't obtained the Comprehensive Working Hours System Approval.

**Local law or ETI requirement:**

**Local law:**

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

**ETI requirement:**

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

**Recommended corrective action:**

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

**Objective evidence observed:**

As per document review.



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

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

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

standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input checked="" type="checkbox"/> No	and frequency Please give details: N/A
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days	
<b>Standard/Contracted Hours worked</b>		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		N/A
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 28 samples from Jun. 2022 (current month): 2 hours per day, 12 hours per week, 48 hours per month 28 samples from Dec. 2021 (random month): 2 hours per day, 12 hours per week, 46 hours per month 28 samples from Oct. 2021 (random month): 2 hours per day, 12 hours per week, 46 hours per month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___70___%	

<p>L: Is overtime voluntary?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:          The procedure and policy stated the workers had right to work voluntary. No restrict clause was found in any document read onsite, eg. Labour contracts, procedures, regulations, and manual.</p>
<p><b>Overtime Premiums</b></p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:          When the workers to work overtime, 100% of workers were paid by:          150% of regular wage for weekday overtime;          200% of regular wage for rest day overtime;          300% of regular wage for statutory holidays overtime;</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers &amp; frequency:          100% workers in every month</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	
	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>	
	<p>N/A</p>	
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> <b>Overtime is voluntary</b> <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A	
	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>	
	<p>N/A</p>	
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Q1: If yes, please give details:</p>	

increased order volumes?	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- No discrimination was found during the audit.

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

Details:

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

Any other comments:

Nil

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: <u>  49  </u> % A2: Female <u>  51  </u> %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>Nil</p>
<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring  <input type="checkbox"/> Compensation  <input type="checkbox"/> Access to training  <input type="checkbox"/> Promotion  <input type="checkbox"/> Termination or retirement  <input checked="" type="checkbox"/> No evidence of discrimination found         </p> <p>C1: Please give details: During the auditing, the auditor found</p>

	no evidence of discrimination.
--	--------------------------------

**Professional Development**

A: What type of training and development are available for workers?	Skills training was provided to workers and if skilled workers were assigned to sampling workshop, which could bring them more income.
---	--

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

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

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

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



**8: Regular Employment Is Provided**

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

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

**ETI**

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

**Additional Elements: Responsible Recruitment**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

All the labour contracts of employees were provided for review, as per the labour contract all employees were hired by the facility directly. None of contract labour or temporary worker was employed by the facility. As reported by the interviewees, they signed labour contracts with the facility within one month upon hiring, and everyone obtained a copy of labour contract.

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

Details:

1. Personnel files were checked and they all include a copy of employee's contract
2. Management interview and employee interview
3. The hiring and termination practices

Any other comments:

Nil

**Non-compliance:**



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

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

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

### Responsible Recruitment

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

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

<b>Migrant Workers:</b> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All employees were Chinese. No foreign migrant worker was used. The type of work, salary and welfare level of domestic migrant workers were consistent with that of local employees
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please describe finding: No deductions were made to migrant workers C2: Observations: NA
D: Are Any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If yes, number and example of roles:

migrant workers including permanent workers, temporary and/or seasonal workers)

**NON-EMPLOYEE WORKERS**

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

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

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

**Contractors:**

*Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,*

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If <b>Yes</b> , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A C1: Please describe finding:
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	N/A

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

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. A site tour showed that all production processes were present in the unit, no subcontracting or homeworking used by the facility and all processes were conducted in the facility.
2. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client

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

**Details:**

1. Personnel files were checked and they all include a copy of employee's contract
2. Management interview and employee interview
3. The hiring and termination practices

**Any other comments:**

Nil

**Non-compliance:**

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

- NC against ETI/Additional Elements       NC against Local Law  
 NC against customer code:

None observed

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

**Recommended corrective action:**

**Objective evidence observed:**

None observed

**Observation:**

**Description of observation:**

None observed

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

**Comments:**

**Objective evidence observed:**

None observed

**Good Examples observed:**

Description of Good Example (GE):

None observed

**Objective Evidence Observed:**

None observed

**Summary of sub-contracting – if applicable**

Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting

- Yes  
 No  
 A1: Please describe:

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

- Yes  
 No  
 B1: If **Yes**, summarise details:

C: Number of sub-

contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If <b>Yes</b> , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If <b>Yes</b> , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

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

**ETI**

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Through hot line such as Labor bureau official with phone number 12333 or used public service number in Wechat.
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	Based on interview with workers, they understood how to use the channel if necessary.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	As per interview, workers would use hotline and website to report to 3rd party if any.
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: If the workers have any question or need help, they can through the suggestion box or talking direct to their manager.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details



<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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**Current Systems and Evidence Examined**

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

Details:

- Factory regulations, hiring procedures and anti-harassment training records were checked.
- Management interview and employee interview
- The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Any other comments:  
 Nil

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

Observation:	
<p><b>Description of observation:</b></p> <p>None observed</p> <p><b>Local law or ETI requirement:</b></p>	<p><b>Objective evidence observed:</b></p> <p>None observed</p>

<b>Comments:</b>	
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<b>Good Examples observed:</b>	
Description of Good Example (GE): None observed	<b>Objective Evidence Observed:</b> None observed

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- All employees are Chinese. As per the provided labour contracts, all employees were hired directly by the facility, no contract labour was found in the facility.

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

Details:

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

Any other comments:

Nil

**Non-compliance:**

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

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

**Objective evidence observed:**

None observed

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

**Recommended corrective action:**

**Observation:**

<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional Elements requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b> None observed</p>
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<p><b>Good examples observed:</b></p>	
<p><b>Description of Good Example (GE):</b> None observed</p>	<p><b>Objective Evidence Observed:</b> None observed</p>

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

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

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

**B.4. Compliance Requirements**

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit.
- Solid waste was delivered to qualified supplier to handle.
- The factory management aware of their end client's environmental standards/code requirements and had a system in place to monitor their performance against these.

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

Details:

Environment protects policy

EIA report and approval.

Training records on environment.

Any other comments:  
Nil

**Non-compliance:**

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

- NC against ETI/Additional Elements       NC against Local  
 NC against customer code:

None was observed.

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

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

**Observation:**

**Description of observation:**

None was observed.

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

**Comments:**

**Objective evidence observed:**

**Good examples observed:**

Description of Good Example (GE):

**Objective Evidence Observed:**

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr.Qiao Jianmin manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory had the environment policy, and the risk assessment records provided, conducted environment internal audit per year.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details:NA
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The factory's environmental policy was provided for review.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: When production progress found adverse reactions impact the environment, the factory would correct to reduce the environmental impact.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A
H: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The factory had obtained the EIA report and approval
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A I1: Please give details:No hazardous chemicals were used in the manufacturing process.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details:The factory had established an environment protect policy and complement it.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory production target considered the environmental

gas emissions	aspects(water, energy), complemented protect environment policy.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:All wastes were recorded, and send to recycled institution.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: All the source of energies were used in factory, were recorded and retrospectively to measure whether reach standards.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory had checked the suppliers' business license and environmental police.	
<b>Usage/Discharge analysis</b>		
Criteria	Previous year: Please state period: From Jan. 2021 to Dec. 2021	Current Year: Please state period: From Jan. 2022 to Jul. 2022
Electricity Usage: Kw/hrs	4,275,660 Kw/hrs	3,200,904 Kw/hrs
Renewable Energy Usage: Kw/hrs	0	588,620Kw/hrs
Gas Usage: Kw/hrs	0 m <sup>3</sup>	0 m <sup>3</sup>
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	NA	NA
Water Sources: Please list all sources e.g. lake, river, and local water authority.	Local water authority	Local water authority
Water Volume Used: (m <sup>3</sup> )	36,248 m <sup>3</sup>	23,598 m <sup>3</sup>
Water Discharged: Please list all receiving waters/recipients.	5,692m <sup>3</sup>	3,756m <sup>3</sup>
Water Volume Discharged: (m <sup>3</sup> )	5,692m <sup>3</sup>	3,756m <sup>3</sup>
Water Volume Recycled: (m <sup>3</sup> )	NA	NA



Total waste Produced <i>(please state units)</i>	189.5 t	92 t
Total hazardous waste Produced: <i>(please state units)</i>	33 t	14.5 t
Waste to Recycling: <i>(please state units)</i>	85 t	50 t
Waste to Landfill: <i>(please state units)</i>	0 t	0 t
Waste to other: <i>(please give details and state units)</i>	71.5 t	27.5 t
Total Product Produced <i>(please state units)</i>	160,000,000 PCS	85,000,000 PCS

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

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

- 10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
- 10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
- 10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

**10C. Guidance for Observations**

- 10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
- 10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Based on management interview, they knew the applicable laws, their end client's Business Ethics standards/code requirements and have a system in place to monitor their performance against these.
- The factory had established the documented Business Ethics policy concerning bribery, corruption, or unethical Business Practice. However, the factory did not sign agreement with its suppliers about business ethically without bribery, corruption, or any type of fraudulent Business Practices..
- Relevant training was provided to workers.

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

**Details:**

- The policy of business ethics

- Training records of business ethics.

Any other comments:

Nil

**Non-compliance:**

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

NC against ETI/Additional Elements

NC against Local

NC against customer code:

None was observed.

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

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

**Observation**

**Description of observation:**

None was observed.

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

**Comments:**

**Objective evidence observed:**

**Good examples observed:**

Description of Good Example (GE):

**Objective Evidence Observed:**

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

Internal Policy

Policy for third parties including suppliers

A1: Please give details: The factory assessed business ethics internal and suppliers per year.

<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The factory trained the General Manager Mr. Yin Zibin and the suppliers' manager business ethics.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: The factory updated the policy termly, and provided the latest new policy version.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: The factory required their all suppliers training business ethics to manager, the factory provided the suppliers' business ethics internal audit and the training records.</p>

Other findings

Other Findings Outside the Scope of the Code	
None	













<p align="center"><b>Community Benefits</b></p> <p align="center"><i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i></p>	
None	

## Appendix 1

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

Not Applicable please x

## Photo Form

		
<p>Factory gate</p>	<p>Factory name</p>	<p>Workshop building</p>
		
<p>Office building</p>	<p>Dormitory building</p>	<p>Pressing teeth</p>
		
<p>Releasing materials</p>	<p>Rubberizing tape</p>	<p>Punching</p>
		
<p>Pressing pin box</p>	<p>Assembling slider</p>	<p>Top &amp; Bottom stopper</p>

Cutting	Inspection	Packing

Material warehouse	Accessory warehouse	Products warehouse

Chemical storage	MSDS	Eye washer

Painting worker with PPE	Explosion proof light	Dormitory room

<p>Kitchen</p>	<p>Canteen</p>	<p>Exit sign and emergency light</p>

<p>Fire extinguishers</p>	<p>Fire hydrant</p>	<p>Fire hydrant testing</p>

<p>Fire alarm</p>	<p>Evacuation plan</p>	<p>Evacuation stair</p>

<p>Fire spray</p>	<p>Smoke detector</p>	<p>Assembly point</p>



Warning sign	First aid box	Attendance machine

Drinking water	ETI code	Toilets

Suggestion box	Gas tank	Waste gas treatment facility

## NC PHOTOS

NC 1 chemicals not labeled	NC 2 Chemicals without secondary container	NC 3 No gap between stacks and wall

		<p>Nil</p>
<p>NC 4 Worker didn't use PPE</p>	<p>NC 5 electrical panels not covered</p>	<p>Nil</p>



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

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

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

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