



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	[REDACTED]	Sedex Site Reference: <i>(only available on Sedex System)</i>	[REDACTED]	
Business name (Company name):	[REDACTED] Ltd			
Site name:	[REDACTED] Ltd			
Site address:	[REDACTED]	Country:	CN	
Site contact and job title:	Mr. [REDACTED] / General Manager			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-07-31			

Audit Company Name:
ELEVATE

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

Audit Content:

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Miki Liu	APSCA Number:	21701196
Additional Auditors:	Lynch Li		
Date of declaration:	2023-07-31		

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

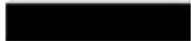
Site Representation	
Full Name:	Mr. [REDACTED]
Title:	General Manager
Date of declaration:	2023-07-31
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of Issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - b5b9afd5-9a8f-4067-b36a-4b3af15a2699 NC - e97e4541-e7d7-4cfb-86cf-1c98e6d2da5f
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§3	1	0	0	NC - e9559bca-cadd-4012-b2e3-4b31dff43d42
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - 87bc3a68-0dc2-4372-bd52-0cbce16379b5
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with article 45 of Law of PRC on Work Safety article 45. Production and business units must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.
§2	In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.




<p>§3</p>	<p>In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.</p>
<p>§4</p>	<p>In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p>



Site Details

Site Details	
Company Name	[REDACTED] Ltd
Site Name	[REDACTED] Ltd
GPS location (if available)	GPS Address: [REDACTED]
	Coordinates: [REDACTED] Latitude [REDACTED] N, Longitude: [REDACTED]
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: [REDACTED] Valid Date: From August 17, 2016 to [REDACTED]
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of Stationery clip and bags
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>[REDACTED] Ltd was established in [REDACTED].</p> <p>[REDACTED] d bags. The main production processes include Cutting, Sewing, Pressing, Gluing, Inspection and packing sections etc. The factory encompasses the 2nd floor of one block of 2-storey production building. No dormitory, kitchen or canteen was available for employees use. A total of 39 employees were currently working at the factory, including 31 production workers and 9 office staff. There were 19 male employees (48.72%) and 20 female employees (51.28%). The ethnic background of all management and production workers was mainland Chinese and all workers were migrant workers from other provinces such as Hubei and Hunan etc. All workers were recruited directly by the factory. According to management team and provided attendance records, all workers worked in one shift, normal working hours (excluding overtime work) were from 8:00am to 5:30pm with 90 minutes of lunchtime break from 12:00noon to 1:30pm. Wages for all workers were calculated on hourly rate basis and issued around 25th day of each month by cash. According to management, there was no obvious peak or non-peak month in the factory. No Union was established in the factory.</p>



Structure and number of buildings	Building Name:		Production building
	Floor	Description	Remark
	1st floor	Another factory rent by landlord: 	This factory has independent business license and no workers mixed during the audit.
	2nd floor	The audited factory included offices, warehouses, cutting, pressing, sewing, gluing, inspection and packing processes.	Nil.
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A		
Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A		
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season			
Process overview	The factory specialized in the manufacturing of Stationery Clip and bags. The main production processes include Cutting, Sewing, Pressing, Gluing, Inspection and packing etc.		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	Nil.		
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:		
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:		
Were all site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		





Audit Parameters		
Time in and time out	Day 1	
	In	08:40
	Out	16:00
Audit type:	FULL_INITIAL	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Mr. ██████████ / General Manager	
Is further information available	No	



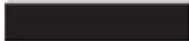
Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	There was no labour union in the facility.		
<i>Reason for absence during the audit</i>	There was no labour union in the facility.		
<i>Reason for absence at the closing meeting</i>	There was no labour union in the facility.		



Worker Analysis

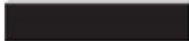
The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	1	0	0	13	0	0	0	14
Worker numbers – female	0	0	0	17	0	0	0	17
Total	1	0	0	30	0	0	0	31
Number of Workers interviewed – male	1	0	0	5	0	0	0	6
Number of Workers interviewed – female	0	0	0	4	0	0	0	4
Total – interviewed sample size	1	0	0	9	0	0	0	10



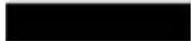
Nationalities Structure	
Nationality of Management	Chinese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: CHINESE approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/>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





Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group with 4 workers per group
Number of individual interviews:	Male: 4 Female: 2
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No worker complained anything during the interview.
What did the workers like the most about working at this site?	Most workers said that they were satisfied with working condition and the free of work time.
Any additional comment(s) regarding interviews:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.
Attitude of workers to hours worked:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:





Attitude of workers:
10 workers were selected for interview including 6 male employees and 4 female employees, and they were interviewed in 1 group with 4 workers per group and 6 individual workers. The workers were assured of confidentiality, and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They could make suggestions to their supervisors and team leaders directly or through workers' representatives.
Attitude of worker's committee/union reps:
The worker representative showed that the management was cooperative with workers and the workplace was generally acceptable. They were satisfied with management attitude and no negative evidence was observed on worker members were treated differently.
Attitude of managers:
The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; to take photo of the factory, to copy relevant document records and conduct confidential workers interview. During the audit, management showed they were willing to gradually improve all issues found on-site.



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

0A: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has established written policy and procedures to meet the human rights and labour standards required by local law and customers. Mr. [REDACTED] / General Manager was responsible for compliance with the human rights to all appropriate parties [REDACTED] s own suppliers. Through trainings, handbooks and postings at the facility.

Evidence examined:

Details:

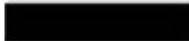
- The written policy including human rights.
- Appointment book of person responsible for implementing standards concerning Human rights
- Factory rules
- Social compliance management handbook
- Training records of human rights
- Employee interview, employees could raise the human rights issues by suggestion box confidentially to the HR Manager who was responsible for implementing standards concerning human rights directly.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the policy which stated that expresses commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Nil.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. [REDACTED] Job title: General Manager

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter, such as anonymous report hotline or email.	
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in HR office.	
Measuring Workplace Impact		
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year	1.0%
	This year	0.8%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.0%	
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year	1.5%
	This year	1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	0.8%	
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accident records were kept with actions available. But no accident happened during the past 2 years.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%



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



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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has established written policy and procedures to meet the Code and labour standards required by local law and customers. General Management Department Director was responsible for compliance with the Code implementation and the Code was communicated to all employees through trainings, handbooks and postings at the facility.

Evidence examined:
Details:

- Employee Handbook
- Business license
- Factory Manual contains details of Code and labour standards required by local law and customers.
- Factory management interview and worker interview
- Training records of social compliance
- Social standard and procedure

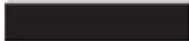
Any other comments:

Nil.

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies existed for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.
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.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers.

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had provided the training to management and workers. The related record was provided for review.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Nil.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The Human Resource manager is [REDACTED]</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>General Management Department Director was responsible for the implementation of the code.</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There was a policy to ensure all worker information is confidential.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Effective procedure to ensure confidential information is kept confidential. Policy was established in employee manual.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Risk assessment was conducted to evaluate policy and procedure effectiveness, such as internal audit.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>If issues addressed, actions should be taken per interview with management and HR department manager.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory required supplier for policy or code implementation.</p>
<p>Land Rights</p>	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All required land rights licenses were provided for review.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All required land rights licenses were provided for review.</p>



<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>
<p>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</p> <p>Please give details:</p> <p>N/A. No such situation happened in facility</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No such situation happened in facility</p>



1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- 2.The employees obtained their job by friend's recommendation or by the factory recruitment.
- 3.Workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- 4.The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- 5.No forced, bonded or involuntary prison labour was identified during the audit.

Evidence examined:
Details:

- Employees' manual, Factory rules
- Personnel files records
- Resignation records
- Management and worker interview

Any other comments:

Nil.

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



<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There was no such evidence observed.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>No forced/ trafficked / bonded labour was identified in its supply chain</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>



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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has written policy on freedom of association, which states that workers are free to form any union or any form of other workers organization in the facility. Currently, no labor union was established in the factory. There was no collective bargain agreement signed in the factory. A worker committee was available, 2 worker representatives were selected by workers. All employees have the right to join worker committee. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. The workers could raise any issue or express their concerns through suggestion box. There was a relevant written policy / procedure documented in place. The meeting between factory management and worker committee was conducted quarterly.

Evidence examined:
Details:

The policy on freedom of association
 Interview with workers and management
 Interview with workers committee members
 Worker representative elected records

Any other comments:

Nil.

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Nil.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker representative and suggestion box	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The meeting room was provided by factory.	



Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	2 worker representatives were elected in factory.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Nil.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-15
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The worker representative conducted meeting quarterly with managements, related meeting records were provided for review. The last meeting was conducted on July 21, 2023.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No





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

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The facility generally provided an adequate work environment and maintains a comfortable temperature throughout. The electrical system was in a good condition. All switches in the electrical control panels have been labelled. The factory posted the evacuation plans at work floors, which indicates escape routes. Exit signs were installed. The facility has provided enough fire extinguishers in all working sections. A functional fire alarm system can be found in the facility. The facility's policy and procedures were communicated through the notice board in the local language. Drinking water was provided and installed in workshops. Sufficient and proper supplies/items were stocked in all of the first aid kits.

Evidence examined:

Details:

- Fire-fighting equipment inspection and maintenance records
- Fire safety approval/registration
- Construction safety inspection reports
- Chemical safety training, Chemical list and MSDS for each chemical
- PPE training
- License for special operation
- Registration of special equipment
- Inspection certificate of special equipment
- Certificate of special equipment operator
- Fire drill records
- First aider certificates
- Drinking water testing report
- Interviews with EHS manager

Any other comments:

Nil.

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

Yes No

Please give details:


The factory had established the general Health & Safety and occupational Health & Safety policies and procedures, and they posted on the workshop for workers review.





Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Employees' manual covered the EHS policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Nil.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The visitors need to wear the PPE, such as facemasks and earplugs when come into the workshops.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Nil.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: First aider kit was available in workshop.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory did not provide transport.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, No dormitory in the factory
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: EHS risk assessments were conducted regularly with actions implementation.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: As per document review, the factory had obtained the completion acceptance report for their environmental construction project and the archival records.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It was acceptable.




Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	b5b9afd5-9a8f-4067-b36a-4b3af15a2699	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	279 - No / inadequate training in how to use Personal Protective Equipment (PPE)	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with article 45 of Law of PRC on Work Safety article 45. Production and business units must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	The factory had provided the personal protective equipment such as active carbon facemasks and rubber gloves to its worker. However, 2 out of 2 workers in the gluing section didn't use active carbon mask and rubber gloves during working.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that factory should conduct regular PPE safety inspection at workplace and develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.	
		 NC- No PPE is wearing.jpg



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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	e97e4541-e7d7-4cfb-86ef-1c98e6d2da5f	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that safety needle guard was not available for 6 out of 6 sewing machines in the sewing section of the factory.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection, equip safety needle guard to all sewing machines to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts.	
		
		NC- No needle guard installed for sewing machine.jpg



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

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in the personnel files. All employees' personal files were provided for review. Each employee 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. Hiring procedure and related protection policy of young workers were also kept in place. No child labour was working at the factory currently.

Evidence examined:
Details:

- 1. Policy on workers recruitment
- 2. Personnel files including the ID card copies of workers
- 3. Roster and labour contracts of all workers
- 4. Worker interview and management interview

Any other comments:

Nil.

Legal age of employment:	16
Age of youngest worker found:	25
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has established written wage & benefits policy in place, which is clearly communicated to all workers by signing labour contracts, through postings etc.
 Responsible staffs (accountant and HR staff) are aware of relevant local law regarding MW, OT wage and social insurance, paid annual leave, sick leave etc.
 Disciplinary measures policy is also clear with no deductions from workers' wages. Social insurance policy and overtime wage policy does comply with local law.

During this assessment, the factory provided 12 months' payrolls (from July 2022 to June 2023) for assessors' review. A sampling of these provided records for the months of June 2023 (most recent pay period), March 2023 (random month) and December 2022 (random month) were reviewed. As per factory management and provided payrolls, wages for all workers were calculated on hourly rate basis and paid by the 25th of each month by cash, and the payment cycle was from 1st to end of month. Based on provided payrolls and time attendance records, the workers earned a monthly wage of RMB 3361 ~ RMB 4544.

The calculated hourly rate was RMB 11.5 to RMB 13.8, which were above to the local legal minimum wage standard of RMB 10.92 per hour. For the overtime wages: all workers were paid at 1.5X, 2X and 3X of workers' normal wage rate as legally required. The estimate percentage of workers being paid incorrectly was nil and the estimate percentage of workers being paid below the minimum wage was nil.

For social insurance, It was noted that a total of 39 employees were eligible to receive five types of social insurances in July 2023 according to the law. However, through review of social insurance enrolment list and payroll records, only 5 employees were enrolled in pension insurance, occupational injury insurance, unemployment insurance, child-bearing insurance and medical insurance.

A wage slip detailing: regular hours, OT hours, regular wage, OT wage, gross wage and net wage paid was provided to each worker.

Evidence examined:

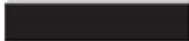
Details:

- Payroll records
- Attendance records
- Local legal minimum wage documents
- Wages and benefits policy
- Labor contracts for all employees
- Leave records and resignation records
- Pay slips of all interviewed workers
- Payment receipts of social insurance
- Workers and management interview

Any other comments:


Nil.

Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 3.0 Per Week: 40.0 Per Month: null	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 3.0 Per Week: null Per Month: 84.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 87.36 Per Week: null Per Month: 1900.0	Actual Per Day: 92.0 Per Week: null Per Month: 2000.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: null Per Week: null Per Month: null	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from June 2023 (most current) 10 samples from March 2023(random month) 10 samples from December 2022 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Based on the payroll records and attendance records provided by the factory, workers' minimum wages were paid at least RMB 11.5 to RMB 13.8 per hour, which was above the local legal requirement.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:Nil. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance.		



Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please list all deductions that have been made.	Social insurance
Please list all deductions that have not been made.	Nil.
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Consistent attendance records, payroll records and production records were provided for review.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory reviewed the wages yearly refer to local bureau opinion etc. and informed workers about salary adjustment.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The wage policy was established in factory and workers knew the equal rates well.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other



Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	e9559bca-cadd-4012-b2e3-4b31dff43d42	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.	
ETI code	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.	
Explanation to the non compliance	It was noted that a total of 39 employees were eligible to receive five types of social insurances in July 2023 according to the law. However, through review of social insurance enrolment list and payroll records, only 5 employees were enrolled in pension insurance, occupational injury insurance, unemployment insurance, child-bearing insurance and medical insurance.	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all of	
		 NC- Insufficient social insurance provided.JPG



	<p>their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance's schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.</p>	
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6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

There's a written policy concerning working hours and overtime hours (how to refuse OT and OT wage rate etc.), as well as a system for monitoring working hours and overtime hours.
 The factory keeps finger-print attendance system to ensure the attendance system to be accurate.
 Procedures for special terms of young workers and pregnant women etc. are also in place.

During this assessment, the factory provided 13 months' time attendance records (from July 2022 to July 2023) for assessor's review. A sampling of these provided records for the months of June 2023 (corresponding with the most recent pay period), March 2023 (random month) and December 2022 (random month) were reviewed. Based on provided time attendance records, workers' working hours were 8-11 hours a day, 40-58 hours a week, with the average being 54 hours per week. The most continuous working days without rest were 6 while the average continuous working days without rest were 6.

Evidence examined:
Details:

Employee interview
 Management interview
 Local and national laws
 Factory policy on working hours
 Attendance records and payroll records
 Sample pay slips with recorded hours all workers interviewed
 Workers' contracts
 Warehouse and production records to cross check hours

Any other comments:

Nil.

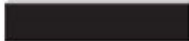
Working hours' analysis

Systems & Processes

What timekeeping systems are used?

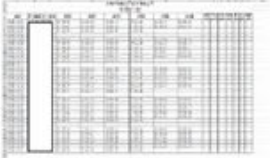
The working time of workers were recorded by finger print attendance recorder.

Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: June 2023: 3 hours per day, 18 hours per week, 61 hours per month March 2023: 3 hours per day, 18 hours per week, 74 hours per month December 2022: 3 hours per day, 18 hours per week, 84 hours per month
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Approximate percentage of total workers on highest overtime hours:	30.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Based on workers interview, the overtime was voluntary.
Overtime premium	



Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: Actual standard wage is used as base for OT wage and 150%, 200%, and 300% of normal rate for work on standard days, rest days and statutory holidays respectively.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% of workers were paid for overtime wages as local law together with normal wages, on a month basis.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	Not applicable. All workers were paid at least 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday, which were in compliance with local law requirements.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	Not applicable. The maximum weekly working hours were only 58 hours.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	87bc3a68-0dc2-4372-bd52-0cbce16379b5	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	It was noted that the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours in June 2023 with the highest of 61 hours; 10 out of 10 exceeded 36 hours in March 2023 with the highest of 74 hours, 10 out of 10 exceeded 36 hours in December 2022 with the highest of 84 hours. Moreover, no workers worked more than 3 overtime hours per day.	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and	
		 <u>NC- Monthly overtime hours exceeded.PNG</u>



	36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.	
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7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has written policy on anti-discrimination as well as policy on compensation, promotion and training etc.
 New staff hiring policy and advertise indicates that no pregnancy or health check (HIV testing, HB check) was required.
 Gender and ethnic balance between workers and middle management is proper. There's grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination.

Evidence examined:
Details:

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

Any other comments:

Nil.

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 60.0%	Female: 40.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	3 Women were skilled workers	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	Nil.	
Professional Development		
What type of training and development are available for workers?	Technical training etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
 [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

Work performed was on the basis of recognized employment relationship established through national law and normal practice. The factory never used any home-workers or agency workers. No apprentice or temporary worker was working in the factory. The factory signs labour contracts with employees within 30 days since employment, and all workers can have their own a copy of the contract and pay slip. HR staff was aware of local law concerning above worker pattern.

Evidence examined:
Details:

The hiring and termination procedure
 Personal files
 Payroll records were provided for review
 Labour contracts
 Worker interview and management interview

Any other comments:

Nil.

Responsible Recruitment

All Workers

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

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

- Yes No

Migrant Workers

Type of work undertaken by migrant workers:	There were no foreign migrants from other countries. 100% workers were migrants from other provinces of China, all production processes undertaken by all migrant workers.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A.
Is there any observation on this finding?	N/A.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Around 30% of them were skilled or technical workers
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency workers used by the factory.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No agency workers used by the factory.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Nil.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No contractor workers used by the factory.



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

8A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has customer policy on sub-contracting, homeworking and external processing, as well as written policy and procedure in place to control external working.

The factory posted customers' Code of Conduct in the facility. Through site tour, documents review and management & workers interview, no external working was being used currently.

Evidence examined:
Details:

- Factory policy,
- Quality records and management & workers interview
- Site tour (check production process)

Any other comments:

Nil.

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

 Is homeworking used at this site? Yes No

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

9: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has established an anti-harsh or inhumane treatment policy. 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 in this facility.

The disciplinary procedure only includes oral warning, written warning and education.

The factory has established grievance mechanism with non-retaliation policy and allow workers to report issues anonymously. Related training records and grievance records / documented evidence were maintained in place. Security practices were humane and comply with customers' expectation.

Evidence examined:
Details:

- Policy of prevention of harassment and abuse.
- Internal grievance procedure documentation.
- Training records
- Employee interview

Any other comments:

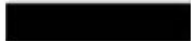
Nil.

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box had been installed in the workshop.
If yes, are workers aware of these channels and have access? Please give details.	The factory management had made the training to workers and install the suggestion box in the workshop.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	All employees said they could use suggestion box to report violations of Labour standards and H&S.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:



<p>Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>





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

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory did not have any policy on foreign migrant worker or agency worker in place and did not use agency worker.
 Factory management knows little about related law regarding agency worker.

Evidence examined:

Details:

- Hiring procedure
- Personnel files and labour contracts
- Employee handbook
- Employee roster
- Worker interview and management interview

Any other comments:

Nil.



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

10B4: Compliance Requirements

- 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
- 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
- 10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements
- 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).
- 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.
- 10B4: Guidance for Observations
- 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current Systems:

The site has written policy in place concerning environment issue (including hazardous waste disposal handling procedures), and the responsible management staffs are aware of local laws / regulations governing environment, keeps the law up to date. The factory had obtained the environmental impact assessment documents examined and approved by authorized environmental protection department. The annual monitoring reports for air emission, wastewater and boundary noise were provided for review, and the results are within the restriction per environmental law. Based on observation on site, wastes were classified and collected on site. Based on worker's interview, they were trained on environmental protection.

Evidence examined:

Details:

- Environmental policy
- Risk assessment records
- Emergency reduction target
- Management and worker interview
- Environmental impact report
- Environmental project completion acceptance report
- Hazardous waste disposal records
- Factory tour

Any other comments:

Nil.

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. [REDACTED] / General Manager
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted a risk assessment on the environmental impact of the site yearly.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory addressed the key impacts from their operations.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had compiled environmental impact assessment report.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: There was a documentation process to record hazardous chemicals used in the manufacturing process
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This was included in the facility's internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established reduction targets for water consumption and discharge, waste, energy and green-house gas emissions.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory monitored volume of waste that is recycled.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had 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.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory checked that any business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility.	
Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	28000	17500
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Local water authority	Local water authority
Water Volume Used	220	150
Water Discharged	Municipal sewage, Production wastewater	Municipal sewage, Production wastewater
Water Volume Discharged	220	150
Water Volume Recycled	0	0
Total waste produced	2T	1.2T
Total hazardous waste produced	0.2T	0.1T
Waste to recycling	0.5T	0.2T
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	600000pcs	400000pcs

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The company manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

The company established a business ethics policy which was communicated to workers through posters and training.

The site had received and read the Business Ethics policy of the auditor/audit company. There was an internal grievance process, which was an anonymous email address.

Evidence examined:
Details:

The company business ethics policy including

- Bribery
- Corruption Training records Worker handbook
- Reports from Anonymous email account
- Worker and management interview

Any other comments:

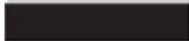
Nil.

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

- Internal Policy
- Policy for third parties including suppliers

Please give details:

There was a written policy on the need to avoid bribes and fraudulent practices.



<p>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>Please give details:</p> <p>The factory provided relevant training to workers whose job roles carry a higher level of risk in the area of ethical Business.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The policy was reviewed once per year and updated in the management internal audit.</p>
<p>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>Please give details:</p> <p>The factory conducted supplier assessment and required suppliers to complete their own business ethics training.</p>



Attachments

<p>[Redacted]</p> <p>EVT-CN-SMTA-[Redacted]-Photoform-[Redacted] [Redacted] Ltd-July</p>	<p>[Redacted]</p> <p>EVT-CN-SMTA-[Redacted]-Signed On-site [Redacted] [Redacted] Ltd 31,</p>
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For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=rIPsbE0PQ52ehCo3lnq5lw_3d_3d

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

[Click here for Auditors:](#)

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