




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 420716869	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 420757443
Business name (Company name):	Yixing Bocai Pottery Co., Ltd.		
Site name:	Yixing Bocai Pottery Co., Ltd. 宜兴博采陶瓷花盆有限公司		
Site address: <i>(Please include full address)</i>	Qianluo Village, Pottery Industrial Zone, Dingshu Town, Yixing City, Jiangsu Province, China. 中国江苏省宜兴市丁属镇陶瓷产业园潜洛村	Country:	China
Site contact and job title:	Mr. Honghu Sun/ General Manager		
Site phone:	158 5256 0668	Site e-mail:	HonghuSun@163.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	Sep. 7, 2022		

<b>Audit Company Name &amp; Logo:</b> TÜV Rheinland (TUEV Rheinland)  Precisely Right.	<b>Report Owner (payer):</b>  Yixing Bocai Pottery Co., Ltd.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Anna Zhang APSCA number: CSCA21701865

Lead auditor APSCA status: In good standing

Team auditor: N/A APSCA number: N/A

Interviewers: Anna Zhang APSCA number: CSCA21701865

Report writer: Anna Zhang

Report reviewer: Ina Zeng

Date of declaration: Sep. 7, 2022

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

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	1. Goods placed against the wall. 2. Safety protected covers of electric switch boxes were open.
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None was observed.
5. <a href="#">Living Wages and Benefits</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	1. Insufficient social insurances
6. <a href="#">Working Hours</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	1. Monthly overtime hours exceed 36 hours.
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8. <a href="#">Regular Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A. <a href="#">Sub-Contracting and</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil

	<u>Homeworking</u>								
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A

General observations and summary of the site:

Audit Process:

This initial audit was conducted by TÜV Rheinland. One auditor assessed the factory's operations against the ETI Base Code and local legislations on a sampling basis in 1 day.

Audit methods:

1. On-site observation including photo taking
2. Interviewing with employees and management
3. Document and records review

Positive findings:

1. The factory obtained and provided valid business license (No.: 91320282MA2648X34Y, period of validity was from 5 May 2021 to long term.) for review.
2. The factory obtained and provided the fire protection acceptance report for review.
3. All workers were hired directly by factory, and required worker to copy their personal ID card and latest individual photo kept properly in the personnel file.
4. No forced labour, discrimination and harsh or inhumane treatment in the factory.
5. The youngest worker was 22 years old, born on 10 Apr. 2000 and joined the factory on 5 Aug. 2022. No child labour or young worker was identified during the audit. No child labour or young worker was identified during the audit.
6. The firefighting facilities such as extinguishers, fire hydrant, fire alarm, emergency light and exit sign were provided onsite and kept in good condition. The factory conducted fire drill twice a year, the recent fire drills and relevant records were provided for review.
7. Suggestion box was available for workers to complain or feedback their working condition. Otherwise, they could also communicate with their supervisors directly or through worker representative.



8. There was no union but a worker committee with 1 worker representative in the factory. Through worker representative interview, the worker representative was pleasant with the factory pay on time, and no negative information was raised.

9. No dormitory, canteen and kitchen were available in the factory.

10. All workers are free to access toilet and drink water during the working hours.

Negative findings:

Finding 1: It was noted that there was no gap between the wall and goods in raw materials area and finished goods area.

Finding 2: During facility tour, it was noted that two safety protected covers of electric switch box were open in the production building in factory.

Finding 3: According to the social insurance receipt, it was noted that there were 25 employees (including 2 employees who were rehired after retirement,) in the factory, 16 employees did not participate in work-related injury, retirement, maternity, medical and unemployment insurances. No commercial accident insurance.

Finding 4: According to the attendance records of employees from Aug. 2021 to the audit day provided by the factory, it was noted that workers' monthly overtime hours exceeded 36 hours in two out of three sample months.

1. All of 10 sampled workers' monthly overtime hours were 40-52 hours in Jul. 2022 (Current paid month).

2. All 10 sampled workers' monthly overtime hours were 40-50 hours in April 2022 (Random month).

Observation:

Nil

Good Examples:

Nil.

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

## Site Details

Site Details			
A: Company Name:	Yixing Bocai Pottery Co., Ltd.		
B: Site name:	Yixing Bocai Pottery Co., Ltd. 宜兴博采陶瓷花盆有限公司		
C: GPS location: (If available)	<table border="1"> <tr> <td>Qianluo Village, Pottery Industrial Zone, Dingshu Town, Yixing City, Jiangsu Province, China. 中国江苏省宜兴市丁属镇陶瓷产业园潜洛村</td> <td>Latitude: 31°17'24" N Longitude: 119°51'28" E</td> </tr> </table>	Qianluo Village, Pottery Industrial Zone, Dingshu Town, Yixing City, Jiangsu Province, China. 中国江苏省宜兴市丁属镇陶瓷产业园潜洛村	Latitude: 31°17'24" N Longitude: 119°51'28" E
Qianluo Village, Pottery Industrial Zone, Dingshu Town, Yixing City, Jiangsu Province, China. 中国江苏省宜兴市丁属镇陶瓷产业园潜洛村	Latitude: 31°17'24" N Longitude: 119°51'28" E		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91320282MA2648X34Y, period of validity was from 5 May 2021 to long term.		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Pottery garden pot		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Yixing Bocai Pottery Co., Ltd. at Qianluo Village, Pottery Industrial Zone, Dingshu Town, Yixing City, Jiangsu Province, China. The facility was about 4,000 square meters. They had started their operation in May 2021. The main products manufactured by the facility were Pottery garden pot.</p> <p>There was a total of 25 employees including 4 managers were currently working in the facility. All employees were hired by the facility directly.</p> <p>There was one shift for workers except fire workshop and the normal working hours were from 07:30-11:00 in the morning, and 12:30-17:00 in the afternoon, the noon break was 1.5 hours from 11:00-12:30, overtime was from 18:00-20:00 if necessary. There were three shifts for fire workshop workers, 1st shift 06:00-14:00; 2nd shift 14:00-22:00, 3rd shift 22:00-06:00.</p> <p>The wage of all employees was calculated on basis of hourly rate and paid on or before 30th/31st of every month by cash. The peak season was not obvious.</p> <p>The facility rent the 2nd floor of one 2-storey partial 3-storey building for office, workshop and warehouse, the other area in the building was used by the other company. There was no mixed use of personnel or management between the auditee and the lessee, no dormitory, canteen or dormitory was provided to employees.</p> <p>For below, please add any extra rows if appropriate.</p>		



	<table border="1"> <thead> <tr> <th data-bbox="655 253 879 315">Office Building</th> <th data-bbox="879 253 1193 315">Description</th> <th data-bbox="1193 253 1485 315">Remark, if any</th> </tr> </thead> <tbody> <tr> <td data-bbox="655 315 879 378">Floor 1</td> <td data-bbox="879 315 1193 378">Used by other company</td> <td data-bbox="1193 315 1485 378">Out of scope</td> </tr> <tr> <td data-bbox="655 378 879 441">Floor 2</td> <td data-bbox="879 378 1193 441">Office, warehouse and workshop</td> <td data-bbox="1193 378 1485 441">Nil</td> </tr> <tr> <td data-bbox="655 441 879 504">Floor 3</td> <td data-bbox="879 441 1193 504">Used by other company</td> <td data-bbox="1193 441 1485 504">Out of scope</td> </tr> <tr> <td data-bbox="655 504 879 566">Is this a shared building?</td> <td data-bbox="879 504 1193 566">Yes</td> <td data-bbox="1193 504 1485 566">The building was built in 26 Oct. 2010</td> </tr> </tbody> </table> <p data-bbox="655 633 1390 689">F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p data-bbox="655 723 1238 757">F2: Please give details: No crack was observed.</p> <p data-bbox="655 790 1342 846">F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p data-bbox="655 880 1485 969">F4: Please give details:  The factory provided construction completion acceptance reports for review.</p>	Office Building	Description	Remark, if any	Floor 1	Used by other company	Out of scope	Floor 2	Office, warehouse and workshop	Nil	Floor 3	Used by other company	Out of scope	Is this a shared building?	Yes	The building was built in 26 Oct. 2010
Office Building	Description	Remark, if any														
Floor 1	Used by other company	Out of scope														
Floor 2	Office, warehouse and workshop	Nil														
Floor 3	Used by other company	Out of scope														
Is this a shared building?	Yes	The building was built in 26 Oct. 2010														
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor															
H: Month(s) of peak season: (if applicable)	No obvious peak season															
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p data-bbox="655 1458 1414 1514">The main products manufactured by the facility were Pottery garden pot.</p> <p data-bbox="655 1547 1445 1603">The main production processes were listed as follows: sharp, dry, glaze, fire, inspection and packing.</p> <p data-bbox="655 1637 1430 1727">The main machine list of the factory was as following: Forming machine, Embryo repairing machine, Kiln, Glaze spraying machine, Drying equipment and etc.</p>															
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None															
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No															

<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  L1: If yes, approx. % of workers in on site accommodation</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  M1: If yes, approx. % of workers</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  N1: If no, please give details  N/A, the facility did not provide dormitory for employees</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 17:30	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	One auditor in 1 audit day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Honghu Sun/ General Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A. It was an initial audit.		
J: Previous audit type:	N/A. It was an initial audit.		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

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

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	6	0	0	5	0	0	0	11
Worker numbers – female	3	0	0	7	0	0	0	10
Total	9	0	0	12	0	0	0	21
Number of Workers interviewed – male	2	0	0	3	0	0	0	5
Number of Workers interviewed – female	1	0	0	4	0	0	0	5
Total – interviewed sample size	3	0	0	7	0	0	0	10



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



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 (total 4 workers)
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3      D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	All workers interviewed had a positive attitude to the management and the site.
I: What did the workers like the most about working at this site?	On time payment
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	

**M: Attitude of workers:**

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

10 workers were selected for interview including 5 male and 5 female employees, and they were interviewed as 1 group with 4 workers 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 and that they were satisfied with the current wages. 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 were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns.

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

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

The interview worker representative said he was satisfied with their employment at the factory and that was satisfied with pay on time. No any negative information was observed.

**O: Attitude of managers:**

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

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 agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditor took photos and copied relevant documents or recorded in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. In general, the factory was very happy to cooperate with this audit.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

1. Factory established the social policy and procedure about Human rights, also established the working instructions to compliance with standards concerning it.
2. Mr. Honghu Sun/ General Manager was appointed as responsible personal for the implementation of standards concerning Human rights.
3. The factory had communicated the social policies included Human rights to the supplier, and showed the records to checked the code requirements were met or not.
4. Factory implements and maintains systems for delivering compliance to Human rights, and conducted the relevant training for workers.
5. The factory established the grievance mechanism for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

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

##### Details:

1. Employee handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and worker interview.

##### Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details: The factory published a human rights statement.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details:  Name: Mr. Honghu Sun  Job title: General Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  C1: Please give details:  The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  E1: Please give details:  All employee information and personnel files were kept locked away in the office and only viewed by the HR.</p>

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

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

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __0__ %	A2: This year 8__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	4%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __1__ %	C2: This year __1__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	1%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: All accidents are recorded. No accident was found in the past 12 months	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers

**0B: Management system and Code Implementation**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had well set up a proper management system to implement social compliance requirements. Mr. Honghu Sun/ General Manager in charge of implementing and updating all social compliance policy and procedure.
2. There was an internal audit team for quality who in addition to take on the role for internal audit of the social standards of the factory. The internal audit and management review records were provided.
3. Implementation of any necessary changes was then given to the individual department heads after agreement with the factory management, this system was fully effective.
4. The factory kept the records of supplies' social responsibility assessment and checked the code requirements were met or not.

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

Details:

1. Employee handbook was reviewed.
2. Company social accountability manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and worker interview.

Any other comments:

Nil

**Management Systems:**

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

Yes

No

A1: Please give details:

No fines/prosecutions were occurred in the last 12 months through management interview and internet search.



<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      B1: Please give details:                      Policies and procedures on "No forced labour, no child labour, no discrimination and prohibition of harassment &amp; abuse" were established.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Per document review and worker interview, the factory had established policies and procedures which ensured the site met in particular discrimination, child labour prohibition and general human rights standards.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      D1: Please give details:                      The training records were available in the factory.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      E1: Please give details:                      According to the interview with workers, all of them was aware of the ETI base code.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                      F1: Please give details:                      N/A</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      G1: Please give details: appoint a manager for human resource management.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      H1: Please give details: Mr. Honghu Sun/ General Manager was appointed to be responsible for the complying with the code.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      I1: Please give details: The company's policies stipulate that all employees' information was kept in confidential.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      J1: Please give details:                      All worker information was kept locked in the HR office.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

	K1: Please give details: The factory conducted the risk assessment on working environment to evaluate the effectiveness of the policy and procedure.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: Any problems found at internal audit were brought to the attention of senior management and corrections made.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The site sent a copy of the ETI code and any relevant customer codes to its own suppliers.
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had provided rental contract for review.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory recognized and applied national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A P1: If yes, how does the company obtain FPIC: The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: No such finding was found.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A. The building was rent and the rent contact was provided for review.

<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>S1: Please give details:                  No illegal appropriation of land for facility building or expansion of footprint.</p>
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Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law:    <input type="checkbox"/> NC against customer code:                  None observed</p> <p><b>Local law and/or ETI requirement</b>                  N/A</p> <p><b>Recommended corrective action:</b>                  N/A</p>	<p><b>Objective evidence observed:</b>                  N/A</p>

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

Good Examples observed:	
<p>Description of Good Example (GE):                  N/A</p>	<p><b>Objective evidence observed:</b>                  N/A</p>

**1: Freely Chosen Employment**

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

**ETI**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had a policy which prohibited forced labour and this was available for review.
2. There was an application procedure which stated that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook - given to all workers on joining, stated that workers within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
6. The above was confirmed in management and worker interview.

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

Details:

1. Social accountability policy and manual
2. Personnel files and labour contracts
3. Resignation records
4. Interview with management and workers
5. Site tour

Any other comments:

Nil

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

D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The site had established the procedures to identify the forced, trafficked and bonded labour in their supply chain and communicated the policy to its suppliers.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Factory would regularly carry out social compliance assessment for all their suppliers.

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

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

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

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- 1. The factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee.
- 2. There was no union but a worker committee in the factory.
- 3. The worker committee was made up of 1 worker representative who were democratically elected by the production workers. The worker representative normally would have a meeting on a trimonthly basis to summarize the concerns and complaints from production workers.
- 4. All interviewed workers stated that they could report their concerns to the worker representative or directly to the supervisor or upper management.
- 5. In addition, workers could also response their concerns through suggestion box. And all complaints or suggestions would be tackled within a short time.

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

Details:

- 1. The policy on freedom of association and right to collective bargaining.
- 2. Social accountability manual included worker committee selection program and the responsibility of the worker representative.
- 3. Interview with workers
- 4. Interview with management

Any other comments:

Nil

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

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

B: Is it a legal requirement to have a union?

- Yes
- No



C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Workers could raise their concerns through worker representative, telephone, suggestion box, directly communicating with the factory management.  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There was a room available for the worker representatives to communicate with the workers.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	All workers could directly report their concerns via the worker representative, suggestion box, or directly report to their supervisors.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 9 May, 2022
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Through interviewing the worker reps, they had a meeting with management on 15 Aug., 2022 and discussion about equipment maintenance and salary grading.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

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

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

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

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

#### Current Systems and Evidence Examined

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

#### Current systems:

1. General Health and Safety management
  - Health & Safety policy was established in the factory and the factory manager was familiar with it.
  - Mr. Honghu Sun was appointed to be responsible for the facility's safety and health conditions.
  - Purified water was provided free of charge to workers.
  - Lavatory facilities were accessible and adequate in number, private and segregated for men and women.
  - Minutes of meetings showed that there were trimonthly meeting between the H&S committee (workers) and the H&S manager, and each point was acted on.
  - No dormitory or Canteen and kitchen was provided for workers.
2. Fire Safety
  - There were 2 exits from each work area and these were clearly marked.
  - Firefighting equipment were adequate and checks were up-to-date.
  - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
  - The factory conducted fire drill twice a year, the recent fire drill was on 20 April 2022,, and relevant records were provided for review.
  - Training had been given to all employees.
3. Electrical safety
  - The electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.
  - There was 1 electrician in the factory, and the certificate was available for review.
4. Medical services
  - There were adequate first aid kits in each production area and they were well stocked.
  - There were 1 trained first aider on site.

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

Details:

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Fire drill and evacuation records
7. Fire Safety certificate
8. Construction completion acceptance reports
9. First aider certificates
10. Checks on fire equipment
11. Accident reports
12. Electrician certificate
13. Occupational hazard factors testing report
14. Occupational health check report
15. Interview with H&S manager and committee members
16. Interview with workers
17. Site tour

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details:  The site had a H&amp;S manager and a H&amp;S committee who met regularly.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  B1: Please give details: Based on the documents review, it was noted that the health and safety procedure and policy were set up for implementation health and safety compliance in the facility.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  C1: Please give details: No such evidence was identified.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details:  Visitors to the site informed on H&amp;S and provided with personal protective equipment.</p>
<p>E: Is a medical room or medical facility provided for workers?   If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  E1: Please give details: No local law requirement, but there were adequate first aid kits in each production area.</p>

F: 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 F1: Please give details: There were 1 trained first aider in the factory.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport was provided.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A, no dormitory room was provided for worker
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory had carried out the health and safety risk assessment on the areas such as evaluating the arrangements for workers doing overtime.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The site had a copy of the banned substances list and was meeting those requirements.

<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:                      It was noted that there was no gap between the wall and goods in raw materials area and finished goods area.</p> <p><b>Local law and/or ETI requirement:</b>  <b>General rules for fire safety management of storage occupancies, Article 6.8</b>                      The stacked goods in the warehouse shall meet the following requirements: a) the distance between the upper part of the stacking and the floor and the flat roof shall not be less than 0.3m (the zigzagged roof frame starts from the beam);B) The distance between the article and the lamp is not less than 0.5m;C) The distance between the articles and the wall is not less than 0.5m;D) The distance between stacking and column shall not be less than 0.3m;E) The distance between stacking and stacking shall not be less than 1m.</p> <p><b>ETI Base Code 3.1</b>                      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</p>	<p><b>Objective evidence observed:</b>                      Per factory tour</p> <p>Please refer to NC 01</p>

<p>as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p><b>Recommended corrective action:</b> It is recommended that the factory should ensure the storage of goods in comply with legal requirement.</p>	
<p><b>2. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:                  During facility tour, it was noted that two safety protected covers of electric switch boxes were open in the production building in factory.</p> <p><b>Local law and/or ETI requirement</b>  <b>General Guide for Safety of Electric User, Article 5.1.2</b>                  Electric circuit in use must have sufficient insulation strength, mechanical strength and conductive capability and the installation shall conform to the relevant product standards.</p> <p><b>ETI Code 3.1</b>                  A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p><b>Recommended corrective action:</b>                  It is recommended that the factory should ensure all safety protected covers of electric switch boxes should be closed,</p>	<p><b>Objective evidence observed 2:</b>                  Factory tour</p> <p>Refer to photo NC02</p>

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

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

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- 1. There was a written policy in regard to prohibition of child labour, which stipulated that no worker under 16 years old would be recruited in the factory.
- 2. To prevent hiring child labour, the factory also established age verification mechanism. The HR staffs would authenticate ID card of candidates via physical appearance comparison, questions testing and ID card authentication facility. All these processes ensured no fake ID card was used by potential worker during the hiring process.
- 3. According to review of employees' personal files and employee interview, there was no child labour in the factory.
- 4. The factory had established young worker protection procedure, which stipulated that they factory would provide health check to young workers, not arrange young workers to work in hazardous position and night shift, etc.
- 5. Through reviewing employees' personnel files and whole factory tour, the youngest worker was 22 years old, born on 10 Apr. 2000 and joined the factory on 5 Aug. 2022. No child labour or young worker was identified during the audit.

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

Details:

- 1. The recruitment policy on child labour
- 2. Recruitment procedure
- 3. Latest employee list
- 4. Personnel files of all workers
- 5. Interview with management and workers
- 6. Site tour

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	22 years old.

	The youngest worker was 22 years old, born on 10 Apr. 2000 and joined the factory on 5 Aug. 2022.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A

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

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

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



**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All employees' wages were calculated by hourly rate basis and paid by cash on or before 30<sup>th</sup>/31<sup>st</sup> of each month for previous month. The pay slip with proper information.
2. During this audit, the payroll records from Aug. 2021 to Jul. 2022 and attendance records from 1 Aug. 2021 to 7 Sep. 2022 were provided for review. As per review of 10 sampled employees' payrolls and attendance records from Jan. 2022, Apr. 2022 and Jul. 2022 (current month), it was noted that all workers were paid at least RMB2600/ month equal to RMB14.95 /hour from Aug. 2021. And local legal minimum wage was RMB2280/month equal to RMB13.10/hour since 1 August 2021.
3. Additionally, all sampled workers were properly paid 150% and 200% of their normal wages for all workdays and weekend overtime hours respectively as legally required and no statutory holidays overtime hours were noted. All workers would be paid according to 300% of the normal wages when they were working on statutory holidays.
4. Paid annual leave benefit was also entitled to the employees who worked more than one year according to legal law.

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

Details:

1. Wages and benefits policy and procedure
2. Local and national laws
3. Local legal min wage documents
4. Overtime premiums records
5. Labour contracts for all workers
6. Resignation records
7. Production records
8. Social security insurance payment receipts
9. Worker interview and management interview

Any other comments: Nil

**Non-compliance:**

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

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

According to the social insurance receipt, it was noted that there were 25 employees (including 2 employees who were rehired after retirement,) in the factory, 16 employees did not participate in work-related injury, retirement, maternity, medical and unemployment insurances. No commercial accident insurance.

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

**In accordance with the PRC Labor Law**

**Article 72,**

Employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China,

**Article 10** Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees.

**Article 23** Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.

**Article 33** Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees.

**Article 44** Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.

**Article 53** Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

**ETI requirement 5.1,**

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

**Recommended corrective action:**

It is recommended that management adopt practices and controls to ensure that all employees are provided with work-related injury, maternity, medical, retirement and unemployment insurances benefit as legally required.

**Objective evidence observed:**

Document review and worker interview

**Observation:**

**Description of observation:**

None observed

**Local law or ETI requirement:**

N/A

**Objective evidence observed:**

N/A

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

### Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: Maximum 2 hours per day, 12 hours per week and 52 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB2280/month equal to RMB13.10/hour since 1 Aug. 2021.	C1: Minimum RMB2600/month equal to RMB14.95 /hour from Aug. 2021.	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150%, 200% and 300% of regular rate for regular overtime hours, weekend overtime hours and statutory holiday overtime hours respectively.	D1: 150% and 200% of regular rate for regular overtime hours and weekend overtime hours respectively. No overtime work in statutory holidays.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If <b>No</b> , why not?	N/A		
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 sampled employees from Jan. 2022 (random month) 10 sampled employees from April 2022 (random month) 10 sampled employees from Jul. 2022 (current paid month)		
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If <b>Yes</b> , please give details:	
D: 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"/> N/A	D1: If <b>No</b> , please give details:	
E: 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	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB2600/ month equal to RMB14.95 /hour from Aug. 2021.	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: <u>100</u> % of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> None		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurances (basic retirement insurance, unemployment insurance and medical insurance) and personal income tax		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that <b>have</b> been made.	1. Personal income tax Please describe: Personal incoming tax were deducted from workers' wage.
		I2: Please list all deductions that <b>have not</b> been made.	1. Social insurance Please describe: Social insurances were paid by the factory.

J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Records reflected all time worked and paid for workers when attended meetings.	
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A	
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A	
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: There was an annual review when local wage rates were examined.	
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employee interview, it was confirmed that equal rates were being paid for equal work.	
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:	

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. Through employee interview, employees were voluntary to work overtime.
2. The factory adopted finger printing attendance system to record working hours for all employees.
3. There was one shift for workers except fire workshop and the normal working hours were from 07:30-11:00 in the morning, and 12:30-17:00 in the afternoon, the noon break was 1.5 hours from 11:00-12:30, overtime was from 18:00-20:00 if necessary.  
There were three shifts for fire workshop workers, 1<sup>st</sup> shift 06:00-14:00; 2<sup>nd</sup> shift 14:00-22:00, 3<sup>rd</sup> shift 22:00-06:00.
4. There was no obvious peak month or non-peak month in the factory.
5. During this audit, the payroll records from Aug. 2021 to Jul. 2022 and attendance records from 1 Aug. 2021 to 7 Sep. 2022 were provided for review. As per review of 10 sampled employees' payrolls and attendance records from Jan. 2022, Apr. 2022 and Jul. 2022 (current month), it was noted that the maximum daily overtime hours and weekly overtime working hours for all sample population employees were 2 hours per work day, 12 hours per week.
6. 1 day off after 6 consecutive working days was guaranteed during this audit.

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

Details:

1. Factory policy on working hours
2. Local and national laws
3. Workers contracts
4. Attendance records
5. Production and quality records to cross check hours
6. Management interview and worker interview
7. Wage records
8. Working hours and benefit management

Any other comments:

Nil

**Non-compliance:**

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

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

According to the attendance records of employees from Aug. 2021 to the audit day provided by the factory, it was noted that workers' monthly overtime hours exceeded 36 hours in two out of three sample months.

1. All 10 sampled workers' monthly overtime hours were 40-52 hours in Jul. 2022 (Current paid month).
2. All 10 sampled workers' monthly overtime hours were 40-50 hours in April 2022 (Random month).

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

**In accordance with the PRC Labour Law, Article 41**

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

**ETI requirement 6.1**

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

**Recommended corrective action:**

It is recommended that the factory should reduce the overtime hours to ensure the monthly overtime hours within 36 hours.

**Objective evidence observed:**

Document review and worker interview



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

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

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



agreements exceed 48 hours per week?		
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):		
6 days		
<b>Standard/Contracted Hours worked</b>		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: N/A
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Maximum overtime 2 hours/day, 12 hours/week, 52 hours/month in Jul. 2022. Maximum overtime 2 hours/day, 12 hours/week, 50 hours/month in Apr. 2022. Maximum overtime 2 hours/day, 12 hours/week, 32 hours/month in Jan. 2022.	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__70__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Confirmed by worker interview
<b>Overtime Premiums</b>		

<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:          Overtime hours on normal working days, rest days and Holidays were compensated by 150%, 200% and 300% respectively of normal wage standard.</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers &amp; frequency:          100% of workers and every month.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>N/A</p>	
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> <b>Overtime is voluntary</b> <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>N/A</p>	
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Q1: If yes, please give details:          Confirmed by workers interview and management interview, overtime hours were being used for extended periods to make up for labor shortages or increased order volumes.</p>	
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. No employee was required to do the examination of the hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment.
3. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit, Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
4. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
5. There was no evidence of sexual harassment.

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

Details:

1. Anti-discrimination policy and social accountability manual
2. The hiring and termination procedure, leave application records and employee handbook
3. Attendance records
4. Training records
5. Termination records
6. Interview with management and workers

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __100__ % A2: Female __0__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	3
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found

	C1: Please give details: N/A
--	---------------------------------

**Professional Development**

A: What type of training and development are available for workers?	All workers were given H&S training, Social responsibility policy training, Safety production training etc.
---	---

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

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

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

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

**8: Regular Employment Is Provided**

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

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

**ETI**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All workers were recruited by the factory directly and had properly signed contracts with the factory.
2. No labour agency was used to hire workers.
3. No temporary worker or home worker was identified by auditor.
4. Additionally, all of the workers were properly provided with one copy of the labour contract for his or her reference.

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

Details:

1. Recruitment policy
2. The hiring and termination practices
3. Personal files and labour contracts
4. Interview with management interview and workers

Any other comments:

Nil

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

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

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

## Responsible Recruitment

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

<p>C: If yes, check all that apply:</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Recruitment / hiring fees</li> <li><input type="checkbox"/> Service fees</li> <li><input type="checkbox"/> Application costs</li> <li><input type="checkbox"/> Recommendation fees</li> <li><input type="checkbox"/> Placement fees</li> <li><input type="checkbox"/> Administrative, overhead or processing fees</li> <li><input type="checkbox"/> Skills tests</li> <li><input type="checkbox"/> Certifications</li> <li><input type="checkbox"/> Medical screenings</li> <li><input type="checkbox"/> Passports/ID's</li> <li><input type="checkbox"/> Work / resident permits</li> <li><input type="checkbox"/> Birth certificates</li> <li><input type="checkbox"/> Police clearance fees</li> <li><input type="checkbox"/> Any transportation and lodging costs after employment offer</li> <li><input type="checkbox"/> Any transport costs between work place and home</li> <li><input type="checkbox"/> Any relocation costs after commencement of employment</li> <li><input type="checkbox"/> New hire training / orientation fees</li> <li><input type="checkbox"/> Medical exam fees</li> <li><input type="checkbox"/> Deposit bonds or other deposits</li> <li><input type="checkbox"/> Any other non-monetary assets</li> <li><input type="checkbox"/> Other –</li> </ul> <p>C1: If other, please give details: N/A</p>
<p>D: If any checked, give details:</p>	N/A

<b>Migrant Workers:</b> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>			
<p>A: Type of work undertaken by migrant workers:</p>	Migrant workers were involved in all workshops		
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used: 0</p> <p>B2: Total number of (outside of local country) recruitment agencies used: 0</p>		
<p>C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> <input type="checkbox"/> Yes  <input type="checkbox"/> No  <p>C1: Please describe finding: N/A</p> </td> <td style="width: 50%;"> <p>C2: Observations:</p> </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>C1: Please describe finding: N/A</p>	<p>C2: Observations:</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No <p>C1: Please describe finding: N/A</p>	<p>C2: Observations:</p>		
<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>D1: If yes, number and example of roles: 7 skilled and technical.</p>		

### NON-EMPLOYEE WORKERS

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

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



<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: N/A</p>
---	---

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

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

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All production processes were present in the factory.
2. No homeworking was found in this factory, and the factory established policy on not hiring homeworking.

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

Details:

- Daily production records
- Production plan
- Social responsibility policy
- Management interview
- Worker interview

Any other comments:

Nil

**Non-compliance:**

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

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

**Objective evidence observed:**

N/A

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

N/A

**Recommended corrective action:**

N/A

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

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

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

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

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

**ETI**

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details:  Workers could report to the local labour force bureau if violations were happened.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Workers were aware of the channel and they could report violations to the local labour force bureau freely.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>There was an internal process for grievance, which was an anonymous email address and Suggestion box, where workers could report any grievances (harassment, bullying, discrimination etc.)</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other    D1: Please give details: Employees could raise their grievances directly to supervisors, worker representatives or sent emails to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No    E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No    F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No    G1: If no, please explain</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

**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. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure.
2. As per management interview, document review and employee interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, which was an anonymous suggestion box, where employees could report any grievances (harassment, bullying and discrimination), any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.

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

Details:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation
3. Disciplinary action records
4. Grievance records
5. Training records
6. Interview with management and workers

Any other comments:

Nil

**Non-compliance:**

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

NC against ETI       NC against Local Law       NC against customer code:  
None observed

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

N/A

**Recommended corrective action:** N/A

**Objective evidence observed:**

N/A

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

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

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. Per document review, facility management representation and employee interview, all employees in the facility were Chinese.
2. All employees had the proper legal rights to work in this region.
3. All employees were recruited directly by the facility and no agency was involved in facility's recruitment processes.
4. No agency staff or foreign employee was used by the facility.

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

Details:

1. Hiring procedure
2. Worker handbook
3. Personal files and contracts
4. Interview with management and workers
5. Employee roster

Any other comments:

Nil

**Non-compliance:**

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

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

**Objective evidence observed:**

N/A

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

N/A

**Recommended corrective action:**

N/A



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

Good examples observed:	
<b>Description of Good Example (GE):</b> None observed	<b>Objective evidence observed:</b> N/A

**10. Other issue areas 10B2: Environment 2-Pillar**  
 (Click here to return to summary of findings)

To be completed for a 2-Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

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

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The environmental policy was established in the factory, the policy covering their environmental impact, which was communicated to all appropriate parties, including its own suppliers.
2. Mr. Honghu Sun/ General Manager was responsible for continuous improvements in their environmental performance.
3. The factory had taken some measures such as eliminate or reduce the industrial waste in order to improve environmental performance.
4. Through searching the internet and management review, there was no any violation or noncompliance to environmental regulations and the factory had not been subjected to any fines / prosecution for noncompliance to environment regulation in the past one year.
6. The factory regularly tested waste air, boundary noise and living wastewater, and provided the relevant report for review.

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

Details:

1. The relevant policy on prevention of environment
  1. Environment monitoring report
  2. Training records
  3. Interview with management and workers

Any other comments:

Nil

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

Observation:	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional Elements requirement:</b> N/A</p> <p><b>Comments:</b> N/A</p>	<p><b>Objective Evidence Observed:</b> N/A</p>

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

Other findings

**Other Findings Outside the Scope of the Code**

Nil

**Community Benefits**

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*











Nil

## Appendix 1










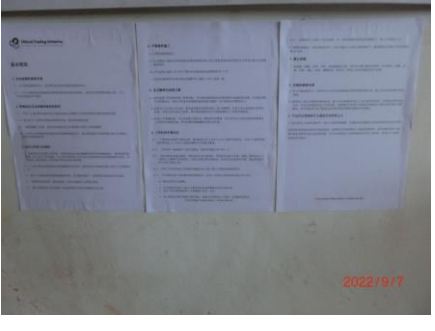


**Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective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

Not Applicable please x


## Photo Form

		
<p>Factory name</p>	<p>Factory gate</p>	<p>Factory building</p>
		
<p>Sharp process</p>	<p>Dry process</p>	<p>Glaze process</p>
		
<p>Fire process</p>	<p>Inspection and packing</p>	<p>Finished goods area</p>
		
<p>Fire extinguishers</p>	<p>Fire hydrant</p>	<p>Fire alarm, Emergency lights and exit sign</p>



 <p>2022/9/7</p>	 <p>2022/9/7</p>	 <p>2022/9/7</p>
<p>Attendance machine</p>	<p>Evacuation sign</p>	<p>No smoking sign</p>
 <p>2022/9/7</p>	 <p>2022/9/7</p>	 <p>2022/9/7</p>
<p>Eye washer</p>	<p>Exhaust Emission Facility</p>	<p>Emergency assembly point</p>
 <p>2022/9/7</p>	 <p>2022/9/7</p>	 <p>2022/9/7</p>
<p>Drinking water</p>	<p>Toilet</p>	<p>First aid kit</p>
 <p>2022/9/7</p>	 <p>2022/9/7</p>	 <p>2022/9/7</p>
<p>ETI poster</p>	<p>Suggestion box</p>	<p>Evacuation map</p>

**Non-compliance Photos**

	
<p>No.1 Goods were placed against walls.</p>	<p>No. 2 Safety protected covers of electric switch box were open.</p>





**For more information visit:**

**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](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](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

**[Click here for Auditors:](#)**

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