




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 411753325	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 411785239
Business name (Company name):	QINGYUAN LATOP FINE CHEMICALS LIMITED		
Site name:	QINGYUAN LATOP FINE CHEMICALS LIMITED 清远市立道精细化工有限公司		
Site address: <i>(Please include full address)</i>	Actual address: Fine Chemicals Zone, Overseas Chinese Industry Park, Donghua Town, Yingde City 英德市东华镇清华园精细化工基地  Business License address: The same as above	Country:	China
Site contact and job title:	Mr. Li Ruopeng / HR Manager		
Site phone:	15362766325	Site e-mail:	hr01@latop.com.cn
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	Sept 2-3, 2021		

<p><b>Audit Company Name &amp; Logo:</b> SGS-CSTC Standards Technical Services Co., Ltd.</p> 	<p><b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i></p> <p>QINGYUAN LATOP FINE CHEMICALS LIMITED</p>
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Sunny Zhong APSCA number: RA21705155

Lead auditor APSCA status: RA

Team auditor: Nil APSCA number: Nil

Interviewers: Sunny Zhong APSCA number: RA21705155

Report writer: Sunny Zhong

Report reviewer: Amber Gong

Date of declaration: Sept 3, 2021

*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"/>	1	0	0	<p><b>Summary of Non-Compliance finding:</b> 1. About 50% chemical which used in the mixing workshop had no secondary containment.</p> <p><b>Summary of Observation finding:</b> Nil</p> <p><b>Summary of GE:</b> Nil</p>
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5. <a href="#">Living Wages and Benefits</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	1	<p><b>Summary of Non-Compliance finding:</b> Nil</p>

									<p><b>Summary of Observation finding:</b> Nil</p> <p><b>Summary of GE:</b> 1. The factory provided free meal for workers.</p>
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<p><b>Summary of Non-Compliance finding:</b> 1. Workers' overtime hours exceeded legal requirements.</p> <p><b>Summary of Observation finding:</b> Nil</p> <p><b>Summary of GE:</b> Nil</p>
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
General observations and summary of the site:									

- The factory was founded on Aug 1, 2011 based on business license.
- The main product manufactured at this site were insecticide, sprays and air freshener.
- Overall responsibility for meeting the standards was taken by Mr. Li Ruopeng / HR Manager.
- A total of 96 employees in the factory during the audit, including 68 local workers and 28 migrant workers.
- The youngest worker in the factory was 25 years old, who was born on Oct 25, 1996 and entered the factory on Feb 25, 2021.
- The peak season was not obvious in the factory according management interview and production records.
- 10 workers were selected for interview, including 5 male workers and 5 female workers. They were interviewed as 1 group with 4 workers and 6 workers were interviewed individually.
- Standard working time was 5 days per week and 8 hours per day and all workers were paid by hourly rate.
- Minimum wage guarantee system was established for all workers. Workers' minimum wages minimum wages were paid in line with the local legal requirement, which was RMB1410/month (RMB8.1/hour).
- The factory paid 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime, which was in line with legal requirement.
- All sampled workers' monthly overtime hours exceeded 36 hours, the maximum monthly overtime hours reached to 84 hours.
- All sampled workers' weekly hours didn't exceed 60 hours, the maximum weekly hours were 58 hours.
- All sampled workers enjoyed one day off per seven days, the maximum continuous working days were 6 days.
- The factory provided social insurances for all workers.
- Production buildings were in good condition based on onsite observation.
- No child labour or young worker was identified during the audit.
- No forced labour was identified during the audit.
- No trade union was established in the factory, but 2 worker representatives were elected in the factory.
- The factory had established procedures on environment protection and Mr. Zhang Quanmei/Vice General Manager of Production was appointed to response the compliance of environment requirement.
- Based on the provided attendance records, overtime hours in sample were list as below:  
2 hours/day, 18 hours/week, 84 hours/month in Jul 2021 (Current month)  
2 hours/day, 18 hours/week, 72 hours/month in May 2021 (Random month)  
2 hours/day, 18 hours/week, 74 hours/month in Nov 2020 (Random month)

*\*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:	QINGYUAN LATOP FINE CHEMICALS LIMITED													
B: Site name:	QINGYUAN LATOP FINE CHEMICALS LIMITED 清远市立道精细化工有限公司													
C: GPS location: (If available)	GPS Address: Fine Chemicals Zone, Overseas Chinese Industry Park, Donghua Town, Yingde City 英德市东华镇清华园精细化工基地	Latitude: 24°11'18''N Longitude: 113°39'29''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 No.: 91441881579735857K. Valid from Aug 1, 2011 to long term.													
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	insecticide, sprays, and air freshener													
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>QINGYUAN LATOP FINE CHEMICALS LIMITED was located at Fine Chemicals Zone, Overseas Chinese Industry Park, Donghua Town, Yingde City. There were total 96 employees in the factory during the audit, including 68 local workers and 28 migrant workers.</p> <p>Standard working time was 5 days per week and 8 hours per day. One shift was arranged for all workers and office staff (08:00-12:00; 13:30-17:30). Normally, workers overtime worked 0-2 hours at night on weekdays, and overtime worked 0-8 hours on Saturdays. Workers were always rest on Sundays.</p> <p>The audited factory used one block of 4-storey office building, one block of 3-storey raw material warehouse building and one block of single storey finished good warehouse building, and one block of single storey production building, the property ownership certificates were provided for review.</p> <table border="1"> <thead> <tr> <th>Office Building no 1 #</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Office and canteen, kitchen</td> <td>Built in 2015</td> </tr> <tr> <td>Floor 2-4</td> <td>Office</td> <td>Built in 2015</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>NA</td> </tr> </tbody> </table>		Office Building no 1 #	Description	Remark, if any	Floor 1	Office and canteen, kitchen	Built in 2015	Floor 2-4	Office	Built in 2015	Is this a shared building?	No	NA
Office Building no 1 #	Description	Remark, if any												
Floor 1	Office and canteen, kitchen	Built in 2015												
Floor 2-4	Office	Built in 2015												
Is this a shared building?	No	NA												

	Warehouse Building no 2#	Description	Remark, if any	
	Floor 1	Raw material warehouse and packing workshop	Built in 2015	
	Floor 2-3	Raw material warehouse	Built in 2015	
	Is this a shared building?	No	NA	
	Warehouse Building no 3#	Description	Remark, if any	
	Floor 1	Finished good warehouse	Built in 2015	
	Is this a shared building?	No	NA	
	Production Building no 4#	Description	Remark, if any	
	Floor 1	Mixing, canning and packing workshop	Built in 2015	
	Is this a shared building?	No	NA	
	<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details:            Based on onsite observation, no visible structural integrity issues such as cracks was found.</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details:            The factory provided the building structure safety certificates or records for all buildings.</p>			
	G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		

H: Month(s) of peak season: (if applicable)	Not obvious
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	The main product in the factory were insecticide, sprays and air freshener. The manufacturing processes were Raw materials-Mixing-Canning-Packing. Main production lines and equipments used: 5 canning machines, 5 automatic packing machines, 6 automatic inflator, 3 mixed machines, 10 production lines, etc.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA. No dormitory provided.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 09:10 A2: Day 1 Time out: 17:10	A3: Day 2 Time in: 09:10 A4: Day 2 Time out: 11:00	A5: Day 3 Time in: NA A6: Day 3 Time out: NA
B: Number of auditor days used:	1.5 MD (1 auditor X 1.5 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 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. Liao Yaoshuai / Admin 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:	NA		
J: Previous audit type:	NA		
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 checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	NA		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No trade union was established 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	24	0	0	19	0	0	0	43
Worker numbers – female	44	0	0	9	0	0	0	53
Total	68	0	0	28	0	0	0	96
Number of Workers interviewed – male	3	0	0	2	0	0	0	5
Number of Workers interviewed – female	4	0	0	1	0	0	0	5
Total – interviewed sample size	7	0	0	3	0	0	0	10



A: Nationality of Management	China	
<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:            B1: Nationality 1: <u>China</u>            Provinces as below: Guangxi, Sichuan, Hunan            B2: Nationality 2: <u>NA</u>            B3: Nationality 3: <u>NA</u></p>	<p>Was the list completed during peak season?  <input type="checkbox"/> Yes  <input type="checkbox"/> No            NA. There is no obvious peak season in the factory.            If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100%</u>            C1: approx % total workforce: Nationality 2 <u>NA</u>            C2: approx % total workforce: Nationality 3 <u>NA</u></p>	
D: Worker remuneration (management information)	<p>D: <u>NA</u>% workers on piece rate            D1: <u>100</u>% hourly paid workers            D2: <u>NA</u>% salaried workers</p> <p>Payment cycle:            D3: <u>NA</u>% daily paid            D4: <u>NA</u>% weekly paid            D5: <u>100</u>% monthly paid            D6: <u>NA</u>% other            D7: If other, please give details</p>	

<b>Worker Interview Summary</b>	
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 x 4 employees
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 management and site. No workers complain anything during the interview.
I: What did the workers like the most about working at this site?	They felt they had sufficient work and had a good relationship with management in general.
J: Any additional comment(s) regarding interviews:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
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?

- Yes  
 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 per group and 6 individual workers. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory. 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, such as food quality to their worker representatives who would take it to the worker management committee.

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*

Based on workers' representative interview, it was noted that the factory management was very care about workers and pay more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No negative information was identified.

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 auditors took photos and copied relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.

## 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:

- The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties.
- Mr. Li Ruopeng / HR Manager was appointed as senior member of management to responsible for compliance with ETI code, and responsible for implementing standards concerning Human rights.
- The terms and conditions for employees are stated in the employee handbook and some workers are trained in the grievance procedure.

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

##### Details:

- Management interview
- Worker interview
- Employee manual, training records etc.

##### 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 had established relevant policy about human rights.</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. Li Ruopeng  Job title: HR 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:  The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in HR office.</p>

Findings		
<p><b>Finding: Observation</b> <input type="checkbox"/>      <b>Company NC</b> <input type="checkbox"/></p> <p><b>Description of observation:</b>  Nil</p> <p><b>Local law or ETI/Additional elements / customer specific requirement:</b>  Nil</p> <p><b>Comments:</b>  Nil</p>		<p><b>Objective evidence observed:</b>  Nil</p>

**Good examples observed:**

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<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> Nil
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## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __14.3__ %	A2: This year __14.1__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	6%	
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: __0.01__ %	C2: This year __0.01__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0.01%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accident records were kept with actions available.	
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
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**0B: Management system and Code Implementation**  
[\(Click here to return to summary of findings\)](#)

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Mr. Li Ruopeng / HR Manager was appointed as senior member of management to responsible for compliance with ETI code.
- The factory established social responsibility system and policy in the factory.
- The factory conducted internal audit and management review on social responsibility regularly.
- The factory monitored the compliance of social responsibility for its suppliers regularly.

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

Details:

- Social responsibility policy and procedure
- Management system
- Worker and management interview
- Document review

Any other comments:  
Nil

<b>Management Systems:</b>	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: No such fine or prosecutions were identified.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details:

	Policies existed for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment etc. No negative evidence was found.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory had provided the training to management and workers.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided the training to management and workers. The related record was provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The factory did not obtain any internationally recognised system certifications.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: There was a HR department in the factory.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Li Ruopeng / HR Manager was appointed as senior member of management to responsible for compliance with ETI code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: There was a policy to ensure all worker information was confidential.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Effective procedure to ensure confidential information is kept confidential. Policy was established in employee manual.

<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      K1: Please give details:                      Risk assessment was conducted to evaluate policy and procedure effectiveness, such as internal audit and management review.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      L1 Please give details:                      If issues addressed, actions should be taken confirmed with management and HR department manager.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      M1: Please give details:                      The factory required supplier for policy or code implementation.</p>
<p><b>Land rights</b></p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      N1: Please give details:                      The business license and property ownership certificate were provided for review.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      O1: Please give details:                      The business license and property ownership certificate were provided for review.</p>
<p>P: Does the site have a written policy and procedures specific to land rights.                      If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      P1: If yes, how does the company obtain FPIC:                      The factory had a written policy and procedures specific to land rights.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                      Q1: Please give details:                      NA. The factory provided the business license and property ownership certificate.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                      R1: Please give details:                      NA. The factory provided the business license and property ownership certificate.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>



	S1: Please give details: No negative evidence was identified.
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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:</p> <p>Nil</p> <p><b>Local law and/or ETI requirement:</b></p> <p>Nil</p> <p><b>Recommended corrective action:</b></p> <p>Nil</p>	<p><b>Objective evidence observed:</b></p> <p>Nil</p>

Observation:	
<p><b>Description of observation:</b></p> <p>Nil</p> <p><b>Local law or ETI requirement:</b></p> <p>Nil</p> <p><b>Comments:</b></p> <p>Nil</p>	<p><b>Objective evidence observed:</b></p> <p>Nil</p>

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

- The factory had established the effective employment policies & program. Employees could be freely resigned after communication with management in advance 30 days notification.
- The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are freely to leave the workplace outside of their working hours.
- No forced, bonded or involuntary prison labour was identified during the audit.

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

Details:

- Factory rules
- Employee handbook
- Personnel files
- Resignation records
- Labour contracts
- Management and worker interview

Any other comments:

Nil

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

<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  D1: Please describe finding:  No any restrictions on workers' freedom to terminate employment.</p>
<p>E: If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  <input checked="" type="checkbox"/> Not applicable  E1: Please describe finding:  Not applicable for the facility.</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  F1: Please describe finding:  Workers could leave the site at the end of the work day freely.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  <input type="checkbox"/> Not applicable  G1: If yes, please give details and category of workers affected:  No forced/ trafficked / bonded labour was identified in its supply chain.</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  H1: Please describe finding:  The factory established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resigned after communication with management in advance 30 days notification.</p>

<p style="text-align: center;"><b>Non-compliance:</b></p>	
<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:  Nil</p> <p><b>Local law and/or ETI requirement</b>  Nil</p> <p><b>Recommended corrective action:</b>  Nil</p>	<p><b>Objective evidence observed:</b>  Nil</p>

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> Nil  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> Nil

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

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- No trade union was established in the factory, but 2 worker representatives were elected in the factory. One worker representative attended the opening and closing meeting during the audit.
- The worker representatives' meeting was conducted quarterly.
- Through worker interview, the worker could raise their grievances or complaint through worker representative or management directly.

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

Details:

- The policy on freedom of association
- Interview with workers and management
- Interview with worker representative
- Election and meeting minutes

Any other comments:

Nil

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

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

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The worker could rise up their opinions through suggestion box or communicate with their supervisors directly.  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The meeting room was provided by factory.	
F: Name of union and union representative, if applicable:	No union was founded in factory.	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?	2 worker representatives were elected in the factory.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: Sept 23, 2020
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: Auditor interviewed one worker representative during the audit.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The worker representative conducted meeting quarterly with managements, related meeting records were provided for review. The last meeting was conducted in Jun 11, 2021, the meeting topic was about training and work arrangement.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No collective bargaining agreement in the factory.	

<p>If <b>Yes</b>, what percentage by trade Union/worker representation</p>	<p>M1: __NA__% workers covered by Union CBA No collective bargaining agreement in the factory.</p>	<p>M2: __NA__% workers covered by worker rep CBA No collective bargaining agreement in the factory.</p>
<p>M3: If <b>Yes</b>, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA, no collective bargaining agreement in the factory.</p>	

<p style="text-align: center;"><b>Non-compliance:</b></p>	
<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:                      Nil</p> <p><b>Local law and/or ETI requirement:</b>                      Nil</p> <p><b>Recommended corrective action:</b>                      Nil</p>	<p><b>Objective evidence observed:</b>                      Nil</p>

<p style="text-align: center;"><b>Observation:</b></p>	
<p><b>Description of observation:</b>                      Nil</p> <p><b>Local law or ETI requirement:</b>                      Nil</p> <p><b>Comments:</b>                      Nil</p>	<p><b>Objective evidence observed:</b>                      Nil</p>

<p style="text-align: center;"><b>Good Examples observed:</b></p>	
<p>Description of Good Example (GE):                      Nil</p>	<p><b>Objective evidence observed:</b>                      Nil</p>

**3: Working Conditions are Safe and Hygienic**

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- 1. General Health and Safety management
  - Mr. Zhang Quanmei / Vice General Manager was responsible for issue of Health & Safety in the factory.
  - Minutes of meetings show that there were regularly meetings between H&S committee and H&S manager.
  - Ventilation, temperature and lighting were adequate for the production processes.
  - Sufficient clean toilets segregated by gender were available to workers.
  - The factory provided potable water to workers free of charge in workshop.
- 2. Fire Safety
  - Evacuation plans were posted in all workshops and understood by all interviewed workers.
  - There were at least two exits in each workshop.
  - Sufficient fire-fighting equipments such as fire extinguishers, fire alarm and hydrants in the buildings. Regular inspection was taken by the factory per month.
  - Fire drill was conducted in the factory twice per year, the records were provided for review.
- 3. Electrical safety
  - All parts of electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.
  - There were one competent electrician at the site and the certificates were provided for review.
- 4. Chemical safety
  - Chemical inventory list was available, but some chemicals had no secondary containment.
  - Workers in the chemical store area confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
- 5. Medical services
  - Sufficient first aid kits in each production area and they were well stocked.
  - 2 first aiders were available in the factory and the certificates were provided for review.

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

Details:

- Health and safety policy



- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records and certificates
- Fire acceptance certificates or records
- The completion acceptance reports or records
- Chemical list and MSDS
- Fire drill records
- Trained first aider register
- Accident records
- Onsite observation
- Worker and management interview

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:  Mr. Zhang Quanmei / Vice General Manager was responsible for issue of Health &amp; Safety in the factory.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  B1: Please give details:  The policy was written in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  C1: Please give details:  The factory provided the building structure safety certificates or records for review. And based on onsite observation, there was no structural additions.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details:  The visitors were informed on H&amp;S when entered the factory by training and were provided the PPE if need.</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, while first aid kit was available in workshop.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  F1: Please give details:  2 first aiders were available in the factory.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe,</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p>

maintained and operated by competent persons e.g. buses and other vehicles?	G1: Please give details: NA. The factory did not provide worker transport.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal storage space was provided for workers outside the workshop.
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: EHS risk assessments were conducted regularly with actions implementation.
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: All environmental required permits were available.
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: No banned chemicals were used in the factory.

<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:                      Based on onsite observation, about 50% chemical which used in the mixing workshop had no secondary containment.</p> <p><b>Local law and/or ETI requirement</b>  <b>Code of Design on Building Fire Protection and Prevention (GB 50016-2014, 2018 Amendment), Article 3.6.12</b>                      Facilities capable of preventing liquids from flooding and spreading shall be provided in storage storing Class A, B and C liquids. Stores of items that are subject to fire and explosion in case of damp shall be protected against water immersion.</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>                      Factory should set secondary containment for chemicals.</p>	<p><b>Objective evidence observed:</b>                      Onsite observation                      NC photo No.1</p>

<b>Observation:</b>
---------------------

<p><b>Description of observation:</b> Nil</p> <p><b>Local law or ETI requirement:</b> Nil</p> <p><b>Recommended corrective action:</b> Nil</p>	<p><b>Objective evidence observed:</b> Nil</p>
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<p><b>Good Examples observed:</b></p>	
<p><b>Description of Good Example (GE):</b> Nil</p>	<p><b>Objective Evidence Observed:</b> Nil</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:**

- The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employed and used any child labour under the age of 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post.
- Checks of all workers files showed that no child labour or young worker was identified during the audit. The youngest worker in the factory was 25 years old who was born on Oct 25, 1996 and entered the factory on Feb 25, 2021.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour.

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

Details:

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

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker in the factory was 25 years old who was born on Oct 25, 1996 and entered the factory on Feb 25, 2021.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil  <b>Local law and/or ETI requirement:</b> Nil  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b> Nil

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> Nil  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> Nil

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> Nil

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- All workers' wages were calculated by hourly rate.
- Minimum wage guarantee system was established for all workers. Workers' minimum wages minimum wages were paid in line with the local legal requirement, which was RMB1410/month (RMB8.10/hour).
- The factory paid 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime, which was in line with legal requirement.
- The factory provided social insurances for all workers.
- All workers were paid at the end of following month by cash and it was agreed by all workers, each worker was given a pay slip and signed for their wages.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

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

Details:

- Payroll records from Aug 2020 to Jul 2021
- Attendance records
- Local legal minimum wage documents
- Wages and benefits policy
- Labor contracts for all employees
- Leave records and resignation records
- Payment receipts of social insurance
- Workers and management interview

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:                  Nil</p> <p><b>Local law and/or ETI requirement:</b>                  Nil</p> <p><b>Recommended corrective action:</b>                  Nil</p>	<p><b>Objective evidence observed:</b>                  Nil</p>
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<b>Observation:</b>	
<p><b>Description of observation:</b>                  Nil</p> <p><b>Local law or ETI requirement:</b>                  Nil</p> <p><b>Comments:</b>                  Nil</p>	<p><b>Objective evidence observed:</b>                  Nil</p>

<b>Good Examples observed:</b>	
<p><b>Description of Good Example (GE):</b>                  Based on payroll record, manager interview and worker interview, the factory provided free meal for workers.</p>	<p><b>Objective Evidence Observed:</b>                  Document review                  Manager interview                  Worker interview</p>

**Summary Information**

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, No CBA established in the factory.
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	B1: 2 hours/day, 18 hours/week, 84 hours/month	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No

	and 36 hours per month	in Jul 2021 (Current month) 2 hours/day, 18 hours/week, 72 hours/month in May 2021 (Random month) 2 hours/day, 18 hours/week, 74 hours/month in Nov 2020 (Random month)	NA, No CBA established in the factory.
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: The local legal minimum wage was RMB 1410 per month (RMB 8.10 per hour) since Jul 2018.	C1: The actual minimum wage paid by the factory was RMB 2300 per month (RMB 13.22 per hour)	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, No CBA established in the factory.
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.	D1: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No NA, No CBA established in the factory.

<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?	NA
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Jul 2021 (Current), 10 samples from May 2021 (Random), 10 samples from Nov 2020 (Random).



<p>C: Are there different legal minimum wage grades? If <b>Yes</b>, please specify all.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>C1: If <b>Yes</b>, please give details:</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If <b>No</b>, please give details:</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i>          The actual minimum wage paid by the factory was RMB 2300 per month (RMB 13.22 per hour) which was in accordance with the legal minimum wage RMB 1410 per month (RMB 8.10 per hour). The factory did not have different legal minimum grades.</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: <u>  NA  </u>% of workforce earning under minimum wage          F2: <u>  100  </u>% of workforce earning minimum wage          F3: <u>  NA  </u>% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found:  <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i>          Full-attendance bonus, etc.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance, personal income tax.</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that <b>have</b> been made.</p>	<p>1. Social insurance          2. personal income tax           Please describe:          Confirmed by the management interview and document review, the factory would deduct the social insurance and personal income tax from the pay of employees as per legal requirement.</p>
		<p>I2: Please list all deductions that <b>have not</b> been made.</p>	<p>1. Nil          2. Nil           Please describe: Nil</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>L1: Please give details: Confirmed by the attendance records from Aug 1, 2020 to the audit day and worker interview, all records reflect all time worked.</p>
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>M1: Please specify amount/time: NA</p>
<p>M2: If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: NA	
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: Please give details: The factory reviewed the wages yearly refer to local bureau opinion etc. and informed workers about salary adjustment.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>P1: Please give details: The wage policy was established in factory and workers knew the equal rates well.</p>
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other	<p>Q1: If other, please explain:</p>

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Through employees' interview, overtime is voluntary.
- According to attendance records and worker interview, basic working hours were 8 hours per day and 40 hours per week.
- Face scanning recorder was used to record workers' attendance records.
- All sampled workers' monthly overtime hours exceeded 36 hours, the maximum monthly overtime hours reached to 84 hours.
- All sampled workers' weekly hours didn't exceed 60 hours, the maximum weekly hours were 58 hours.
- All sampled workers enjoyed one day off per seven days, the maximum continuous working days were 6 days.
- The contractor kitchen workers' monthly overtime hours exceeded 36 hours, the maximum monthly overtime hours were 40 hours.
- Max monthly overtime hours in samples were as below:  
84 hours/month in Jul 2021 (Current);  
72 hours/month in May 2021 (Random);

74 hours/month in Nov 2020 (Random).

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

Details:

- Worker and management interview
- Factory policy on working hours
- Attendance records and payroll records
- Workers' contracts
- Warehouse and production records to cross check hours

Any other comments:

Nil

**Non-compliance:**

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

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

Workers' overtime hours exceeded legal requirements.

Based on attendance records from Aug 1, 2020 to the audit date provided by the factory, it was noted that all sampled workers' monthly overtime hours exceeded 36 hours of legal requirements, the maximum monthly overtime hours were 84 hours in Jul 2021.

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

**Labor Law of the People's Republic of China (2018 Amendment), 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 laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

**ETI base code 6.1**

Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers.

Sub-clauses 6.2 to 6.6 are based on international labour standards.

**Recommended corrective action:**

Factory should ensure all workers' overtime hours meet legal requirements.

**Objective evidence observed:**

Document review and worker interview  
NC photo No.2

**Observation:**

<b>Description of observation:</b> Nil	<b>Objective evidence observed:</b> Nil
<b>Local law or ETI requirement:</b> Nil	
<b>Comments:</b> Nil	

Good Examples observed:	
Description of Good Example (GE): Nil	<b>Objective Evidence Observed:</b> Nil

Working hours' analysis				
Please include time e.g. hour/week/month ( <a href="#">Go back to Key information</a> )				
Systems & Processes				
A. What timekeeping systems are used: time card etc.	Describe: Face scanning recorder			
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: NA			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	D1: If YES, please complete as appropriate:			
	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
	If "Other", Please define:  NA			
E. Do any standard/contracted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency		

working hours defined in contracts/employment agreements exceed 48 hours per week?		Please give details: NA
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:
		NA
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:
		NA
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Based on the provided attendance records, overtime hours in sample were list as below: 2 hours/day, 18 hours/week, 84 hours/month in Jul 2021 (Current month) 2 hours/day, 18 hours/week, 72 hours/month in May 2021 (Random month) 2 hours/day, 18 hours/week, 74 hours/month in Nov 2020 (Random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Based on the attendance records from Aug 1, 2020 to the audit day provided by the factory, sampled 10 employees, it was found that all sampled employees' weekly working hours did not exceed 60 hours required by ETI Base Code, the maximum weekly working hours were 58 hours.	
K: Approximate percentage of total workers on highest overtime hours:	___80___%	

<p>L: Is overtime voluntary?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:          Based on workers interview, the overtime was voluntary.</p>
<p><b>Overtime Premiums</b></p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:          150%, 200%, and 300% of normal rate for work on standard days, rest days and statutory holidays respectively.</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:</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 NA <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>NA</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) NA <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>NA. The maximum weekly hours were 58 hours.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Q1: If yes, please give details:</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>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
- There was no evidence of sexual harassment.
- The management generally knew the requirement of Non-Discrimination.
- As informed by interviewed workers, most employees spoke highly of the factory management.

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

Details:

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

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __85__ % A2: Female __15__ %
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,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found  C1: Please give details: No negative evidence of discrimination was identified during audit.
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**Professional Development**

A: What type of training and development are available for workers?	Employee training on EHS, Production & fire safety knowledge, Factory rules, HR policies, Wages & Benefits, Working hours etc.
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B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details:
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Non-compliance:	
<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: Nil  <b>Local law and/or ETI requirement:</b> Nil  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b> Nil

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI requirement:</b> Nil  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

**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:**

- According to workers interview and management interview, workers signed contracts with the factory as local law's requirement.
- All interviewed workers indicated that they were provided with contract copies to know all items included.
- No temporary worker, apprenticeship schemes or home worker was identified.
- The factory saved all workers' personal files and contracts for review.
- The factory established employment procedure for workers' recruitment.
- No labour agency was used to hire workers.

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

Details:

- The hiring and termination procedure
- Personal files
- Payroll records
- Labour contracts
- Worker and management interview

Any other comments:

Nil

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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:                      Nil</p> <p><b>Local law and/or ETI requirement:</b>                      Nil</p> <p><b>Recommended corrective action:</b>                      Nil</p>	<p><b>Objective evidence observed:</b>                      Nil</p>

Observation:	
<p><b>Description of observation:</b>                      Nil</p> <p><b>Local law or ETI requirement:</b>                      Nil</p> <p><b>Comments:</b>                      Nil</p>	<p><b>Objective evidence observed:</b>                      Nil</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      Nil</p>	<p><b>Objective Evidence Observed:</b>                      Nil</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:                      NA</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                  B1: If yes, please describe details and specific category(ies) of workers affected:                  NA</p>
<p>C: If yes, check all that apply:</p>	<p><input type="checkbox"/> Recruitment / hiring fees  <input type="checkbox"/> Service fees  <input type="checkbox"/> Application costs  <input type="checkbox"/> Recommendation fees  <input type="checkbox"/> Placement fees  <input type="checkbox"/> Administrative, overhead or processing fees  <input type="checkbox"/> Skills tests  <input type="checkbox"/> Certifications  <input type="checkbox"/> Medical screenings  <input type="checkbox"/> Passports/ID's  <input type="checkbox"/> Work / resident permits  <input type="checkbox"/> Birth certificates  <input type="checkbox"/> Police clearance fees  <input type="checkbox"/> Any transportation and lodging costs after employment offer  <input type="checkbox"/> Any transport costs between work place and home  <input type="checkbox"/> Any relocation costs after commencement of employment  <input type="checkbox"/> New hire training / orientation fees  <input type="checkbox"/> Medical exam fees  <input type="checkbox"/> Deposit bonds or other deposits  <input type="checkbox"/> Any other non-monetary assets  <input type="checkbox"/> Other –                  C1: If other, please give details:                  NA</p>
<p>D: If any checked, give details:</p>	<p>NA</p>

<p><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>		
<p>A: Type of work undertaken by migrant workers:</p>	<p>There were no migrants from different countries. 28 workers were migrants from different provinces of China, such as Guangxi/Sichuan/Hunan Province, etc. Migrant workers were arranged at all working positions.</p>	
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used:                  0                  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>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please describe finding:                  NA. Confirmed by worker interview and</p>	<p>C2: Observations:                  NA</p>

	document review, no such deduction was occurred.	
<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: Three migrant workers were in supervisor or manager roles.</p>

### NON-EMPLOYEE WORKERS

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

**Agency Workers (if applicable)**  
*(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)*

A: Number of agencies used (average):	A1: Names if available: NA
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA  D1: Please give details: NA
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No  E1: Please give details: NA

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



**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:**

- Confirmed by factory management, no sub-contractor was used in the factory.
- The factory had established social accountability manual including sub-contracting control procedure.
- No homeworking was identified in the factory.

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

**If any processes are sub-contracted – please populate below boxes**

Nil

Details:

Nil

**Non-compliance:**

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

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

Nil

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

Nil

**Recommended corrective action:**

Nil

**Objective evidence observed:**

Nil

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI/Additional elements requirement:</b> Nil  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> Nil

Good Examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> Nil

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

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

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

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

**ETI**

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

Additional elements:

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

<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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>A1: Please give details:                  There was legal department for workers to report such issues, also workers could raise grievances to local media, etc.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>It was confirmed by workers' interview.</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>Hotline, e-mail and suggestion box, etc</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other  <p>D1: Please give details:                   Workers could raise grievances to supervisors, team leaders, or managers directly.</p>
<p>E: Are there any open disputes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <p>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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <p>F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <p>G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <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>II: If yes, please give details</p>
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**Current Systems and Evidence Examined**

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

**Current systems:**

- The factory management had established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past year.
- There was an internal process for grievance, which was an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

- The relevant policy on prevention of harassment and abuse.
- Internal grievance procedure documentation
- Training records
- Worker and management interview

Any other comments:  
 Nil

Non-compliance:	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Nil</p> <p><b>Local law and/or ETI requirement:</b></p> <p>Nil</p> <p><b>Recommended corrective action:</b></p> <p>Nil</p>	<p><b>Objective evidence observed:</b></p> <p>Nil</p>

**Observation:**

<p><b>Description of observation:</b> Nil</p> <p><b>Local law or ETI requirement:</b> Nil</p> <p><b>Comments:</b> Nil</p>	<p><b>Objective evidence observed:</b> Nil</p>
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<p style="text-align: center;"><b>Good Examples observed:</b></p>	
<p><b>Description of Good Example (GE):</b> Nil</p>	<p><b>Objective Evidence Observed:</b> Nil</p>

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- All workers in the factory were Chinese. Most employees were migrant workers which came from other provinces like Guangxi/Sichuan/Hunan Province, etc. All workers had the proper legal rights to work in this region.
- No labor agency was used by the factory.
- The factory had established recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No foreign worker was used by the factory.

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

Details:

- Hiring procedure
- Personnel files and labor contracts
- Employee handbook
- Employee roster
- Worker and management 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:  
 Nil

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

Nil

**Recommended corrective action:**

Nil

**Objective evidence observed:**

Nil

Observation:	
<b>Description of observation:</b> Nil  <b>Local law or ETI/Additional elements requirements:</b> Nil  <b>Comments:</b> Nil	<b>Objective evidence observed:</b> Nil

Good examples observed:	
<b>Description of Good Example (GE):</b> Nil	<b>Objective Evidence Observed:</b> Nil





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

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

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

**B.4. Compliance Requirements**

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- Based on document review and confirmed with factory management. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on workers interview, they were trained on environmental protection.
- The factory had procedure on environment protection and Mr. Zhang Quanmei was appointed as response for environment performance.

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

Details:

- Environmental policy and procedure
- Worker and management interview

- Site tour
- Energy bills
- Water bill
- Hazardous waste transfer documentatio

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</p> <p><input type="checkbox"/> NC against customer code: Nil</p> <p><b>Local law and/or ETI/Additional Elements requirement:</b> Nil</p> <p><b>Recommended corrective action:</b> Nil</p>	<p><b>Objective evidence observed:</b> Nil</p>

Observation:	
<p><b>Description of observation:</b> Nil</p> <p><b>Local law or ETI/Additional elements requirements:</b> Nil</p> <p><b>Comments:</b> Nil</p>	<p><b>Objective evidence observed:</b> Nil</p>

Good examples observed:	
<p><b>Description of Good Example (GE):</b> Nil</p>	<p><b>Objective Evidence Observed:</b> Nil</p>

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Zhang Quanmei / Vice General Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory conducted the risk assessment on the environment impact every year and the records of implementation of controls to reduce identified risks was provided for review.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Based on management interview and document review, the factory did not obtained ISO 14001:2015 certificate.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The environmental policy was posted on bulletin boards.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The policy addressed the key impacts from their operations and their commitment to improvement.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Site does not have other environmental certifications.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Based on management interview and document review, the factory had provided the acceptance approval for environmental facilities.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: This is included in the site's internal management system.

K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Water and energy usage, and waste are monitored with reduction targets to reduce costs.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Weights of recycled waste are recorded for continuous improvement targets
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Measured to reduce costs
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The site monitored the environmental performance of business partners.

**Usage/Discharge analysis**

Criteria	Previous year: Please state period: __Aug 2019-Jul 2020__	Current Year: Please state period: _ Aug 2020-Jul 2021 ____
Electricity Usage: Kw/hrs	497175 Kw/hrs	443130 Kw/hrs
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	NA	NA
Water Sources: Please list all sources e.g. lake, river, and local water authority.	From water supply company	From water supply company
Water Volume Used: (m <sup>3</sup> )	3977 m <sup>3</sup>	3819 m <sup>3</sup>
Water Discharged: Please list all receiving waters/recipients.	Municipal pipe network	Municipal pipe network
Water Volume Discharged: (m <sup>3</sup> )	100 m <sup>3</sup>	100 m <sup>3</sup>
Water Volume Recycled:	100 m <sup>3</sup>	100 m <sup>3</sup>

(m <sup>3</sup> )		
Total waste Produced <i>(please state units)</i>	20t	20t
Total hazardous waste Produced: <i>(please state units)</i>	1t	0.918t
Waste to Recycling: <i>(please state units)</i>	18t	18t
Waste to Landfill: <i>(please state units)</i>	0	0
Waste to other: <i>(please give details and state units)</i>	0	0
Total Product Produced <i>(please state units)</i>	38000000 PCS	39500000 PCS

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

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

- The factory had established a system to monitor Business Ethics standards against relevant laws and customers' requirements.
- The factory had a transparent system in place for confidentially reporting and dealing with bribery, corruption and unethical Business Practices.
- The factory had provided the training to the workers who were worked in the high risky job of business ethics.

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

Details:

- The company business ethics policy including  
Bribery  
Corruption
- Training records

- Worker handbook
- Reports from Anonymous email account

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</p> <p><input type="checkbox"/> NC against customer code: Nil</p> <p><b>Local law and/or ETI/Additional Elements requirement:</b> Nil</p> <p><b>Recommended corrective action:</b> Nil</p>	<p><b>Objective evidence observed:</b> Nil</p>

Observation	
<p><b>Description of observation:</b> Nil</p> <p><b>Local law or ETI/Additional elements requirement:</b> Nil</p> <p><b>Comments:</b> Nil</p>	<p><b>Objective evidence observed:</b> Nil</p>

Good examples observed:	
<p><b>Description of Good Example (GE):</b> Nil</p>	<p><b>Objective Evidence Observed:</b> Nil</p>



<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy  <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The factory had a Business Ethics Policy and the policy was communicated to workers.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details: The factory established policies on Business Ethics, and provided training internally for relevant workers, also required supplier to follow.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details: Examined each year by HR manager and adjusted if needed.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>D1: Please give details: Confirmed by management interview, the supplier would train their employees.</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

## Appendix 1

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

Not Applicable please x

# Photo Form

## NC Photo

		<p>Nil</p>
<p>NC 1: Based on onsite observation, about 50% chemical which used in the mixing workshop had no secondary containment.</p>	<p>NC 2: Workers' overtime hours exceeded legal requirements.</p>	<p>Nil</p>

## GE Photo

<p>Nil</p>	<p>Nil</p>	<p>Nil</p>
<p>Nil</p>	<p>Nil</p>	<p>Nil</p>

## General Photo

<p>Factory Gate</p>	<p>Factory Name</p>	<p>GPS</p>

<p>Production Building</p>	<p>Office Building</p>	<p>Materials warehouse</p>
<p>Mixing</p>	<p>Canning (Insecticide)</p>	<p>Canning (Cosmetics)</p>
<p>Packing</p>	<p>Finished goods warehouse</p>	<p>Potable water</p>
<p>Toilets</p>	<p>Hydrant and fire extinguisher</p>	<p>Evacuation plan</p>





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

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

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