



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000007971	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000047518	
Business name (Company name):	FOSHAN MESTA EK PACKAGING LIMITED			
Site name:	FOSHAN MESTA EK PACKAGING LIMITED			
Site address:	No. 22, XI'AN ROAD, Nanhai District, Foshan City, China. 广东省佛山市南海区丹灶 镇西安路22号 FOSHAN 528000 CN	Country:	CN	
Site contact and job title:	Tao Yanbing / Ms. Tao Yanbing / Administrative Manager			
Site phone:	18022710697	Site e-mail:	3433285037@qq.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2024-09-06			

Audit Company Name:
ALGI China

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

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Shawn Xiao	APSCA Number:	21702780
Additional Auditors:			
Date of declaration:	2024-09-06		

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

Site Representation	
Full Name:	Tao Yanbing
Title:	Ms. Tao Yanbing / Administrative Manager
Date of declaration:	2024-09-06
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management Systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - ZAF600628466 NC - ZAF600628467
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§3	1	0	0	NC - ZAF600628464
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - ZAF600628465
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with Article 18 of Rules for Warehouse Fire Prevention Safety Management: The goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. 根据《仓库防火安全管理规则》第18条:库存物品应当分类、分类储存,每垛占地面积不宜大于100平方米,垛与垛间距不小于1米,垛与墙间距不小于0.5米,垛与梁、柱的间距不小于0.3米,主要通道的宽度不小于2米。

S2	In accordance with PRC Occupational Disease Prevention Law article 35, the employ unit should provide occupational disease health check for laborers with exposure to occupational disease harm. The employ unit should provide health check to these laborers at the time of employment, position take-up period and at time of off position; the laborers should be informed with health check result without deceit. The occupational disease health check fee should be paid by employer. 根据《中华人民共和国职业病防治法》第三十五条，对从事接触职业病危害作业的劳动者，用人单位应当按照国务院卫生行政部门的规定组织上岗前，在岗期间和离岗时的职业健康检查，并将检查结果如实告知劳动者。职业健康检查费用由用人单位承担。
S3	In accordance with Article 72 of the Labor Law of the People's Republic of China, the facility and its employees shall participate in social insurance schemes and pay social insurance premiums as per the legal requirements. This may include Pension, Medical, Industrial injury, Unemployment, Maternity insurance schemes. In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount. 根据《中华人民共和国劳动法》第72条：社会保险基金按照保险类型确定资金来源，逐步实行社会统筹。用人单位和劳动者必须依法参加社会保险，缴纳社会保险费。根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。
S4	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。

Site Details

Site Details			
Company Name	FOSHAN MESTAEK PACKAGING LIMITED		
Site Name	FOSHAN MESTAEK PACKAGING LIMITED		
GPS location (if available)	GPS Address:	No. 22, XI'AN ROAD, Nanhai District, Foshan City, China.	
	Coordinates:	Longitude: 112.873, Latitude: 23.039	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Uniform Code of Social Credit: 91440605MA4UH6A39E, valid period from August 28, 2015, to long term.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Main products were ALUMINIUM FOIL PRODUCTS; BAKING PAPER; and CLING FILM. The main production activities included forming, inspection and packing etc.		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	FOSHAN MESTAEK PACKAGING LIMITED (佛山美时达环保包装有限公司) was established on August 28, 2015 and was updated registration date of the business license on May 21, 2024. The audited factory was located at No. 22, XI'AN ROAD, Nanhai District, Foshan City, Guangdong Province, China. The audited factory rent half area of 1st floor to 3rd floor, whole 4th floor, and whole 5th floor of one 5-storey building as office, production area, and warehouses. The total construction area was about 15000 m2. No canteen and dormitory were provided for all employees. Please refer the below for building details.		
Structure and number of buildings	Building Name:	No 2	
	Floor	Description	Remark
	Half of 1F	Forming area	Construction in 2023
	Half of 2F	Packing, Warehouse area	Construction in 2023
	Half of 3F	Warehouse area	Construction in 2023
	4F & 5F	Warehouse area	Construction in 2023
	Another half of 1F,2F,3F	Other company	Foshan Cantai Mechanical Mould Co LTD
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: From visual observation, the building was observed in safety conditions and without cracks.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was official report of acceptance check for completion of the building, which was provided for review.		

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season		
Process overview	Main products were ALUMINIUM FOIL PRODUCTS; BAKING PAPER; and CLING FILM. The main production activities included forming, inspection and packing etc. Main equipment – Form and Punching machine: 25 sets, etc. Number of production lines: 4.	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other	<input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	There were two worker representatives in the facility.	
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided for all employees.	

Audit Parameters			
Time in and time out	Day 1		
	In	08:00	
	Out	16:30	
Audit type:	FULL_INITIAL		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Tao Yanbing / Ms. Tao Yanbing / Administrative Manager		
Is further information available	No		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	There was no trade union in the factory		
Reason for absence during the audit	There was no trade union in the factory		
Reason for absence at the closing meeting	There was no trade union in the factory		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	11	0	0	6	0	0	0	17
Worker numbers – female	5	0	0	9	0	0	0	14
Total	16	0	0	15	0	0	0	31
Number of Workers interviewed – male	4	0	0	1	0	0	0	5
Number of Workers interviewed – female	1	0	0	4	0	0	0	5
Total – interviewed sample size	5	0	0	5	0	0	0	10

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on attendance records in past 12 months, workers and factory management interview, no peak season was observed at the facility.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	100%
	Salaried:	0%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	N/A

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group with 4 workers
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No complaint was raised during interviews; They were satisfied with the factory.
What did the workers like the most about working at this site?	The management treated them friendly and equally and working environment was good.
Any additional comment(s) regarding interviews:	The factory workers were satisfied about the working environmental, and easygoing teammates.
Attitude of workers to hours worked:	Workers expressed that sometimes they wanted to take extra work to earn more money, however they could turn down overtime as their wish.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

10 workers were selected for interview including 5 male and 5 female employees (4 workers were selected for group interview and 6 workers were selected for individual interview). 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 stated the working hours arrangement was appropriate. The wage was paid every month correctly to them. If they had complaints on the factory, they could raise concerns to the management directly or via suggestion box. Their complaints would be investigated and resolved. No negative information was identified.

Attitude of worker's committee/union reps:

Interview was conducted with two worker representatives, who were very cooperative and quite open talking with the auditor. The representatives stated that they raised employee meeting quarterly and helped deal with workers' health, safety and environment issues.

Attitude of managers:

This SMETA full initial audit (2 pillar) was conducted on Sep. 6, 2024 by ALGI auditor Shawn Xiao (Lead auditor, APSCA No. CSCA 21702780). 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 accessed to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditor took photos and copied relevant documents or 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. The factory agreed and were willing to take corrective action for the findings raised by writing during the audit.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. 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, including its own suppliers.
2. Ms. Tao Yanbing / Administrative Manager was a designated person responsible for implementing standards concerning Human Rights.
3. Based on management interview and document review, the factory established procedures on social accountability.
4. The factory had identified their stakeholders and salient issues in its supply chain.
5. The factory had measured their direct, indirect, and potential impacts on stakeholders about human rights.
6. When adverse impact on human rights within any of their stakeholders was identified, the factory would address these issues and enable effective remediation from stakeholders.
7. The factory also communicated the company's human rights policies to stakeholders. The factory has designated person to receive complaints and suggestions from stakeholders through direct telephone, exclusive email or letter.

Evidence examined:

1. Employee handbook
2. ETI Code of Conduct
3. CSR manual
4. Training records
5. Employees and management interview, etc.
6. Supplier communication and evaluation record

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory established the policy which stated the commitment to respect human rights.

Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in worker's manual, and the workers knew them well as per worker interview.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Tao Yanbing / Administrative Manager was designated person responsible for implementing standards concerning Human Rights.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in factory office.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 4.0% This year 2.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	2.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 6.0% This year 4.0%

Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	3.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had work injury records in past 12 months, however, no injury accident occurred at the facility.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 0.0% 12 month 0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 0.0% 12 month 0.0%

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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Ms. Tao Yanbing / Administrative Manager was responsible for meeting the legal and client's code requirements.
2. The factory has a system to ensure that its supply chain should be in compliance with all legally requirement. Suppliers are expected to be operating legally in premises with the correct business licenses and permissions.
3. There was an internal audit team who in addition took on the role for internal audit of the social standard of the factory and they reported to the General Manager.
4. ETI Base Code and client specific codes have been communicated to suppliers with supplier notice letter.
5. The factory provided copies of the property ownership certificate and land certificate of the factory building. Related certificates were valid according to the information checked through Official website of local Real estate registration and Real estate trading center.
6. The factory obtained the business license and legal documents to operate the company.
7. The factory provided training on ETI Code of Conduct and communicated it to all employees.
8. The factory conducted internal audit on Aug. 19, 2024.

Evidence examined:

1. Internal audit documents
2. Client's code of conduct at the factory (posted in Chinese beside the production area).
3. A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.
4. Copies of Ownership certificate and land certificate of factory building
5. Management review report
6. Business license

Any other comments:

Nil

Management Systems

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

☐ Yes ☒ No

Please give details:

No such fine or prosecutions were identified.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

Policies about forced labour, child labour, discrimination and harassment & abuse were in place.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers on standards for forced labour, child labour, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Latest training about these policies was provided for all employees on July 25, 2024 onsite.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory had no any internationally recognised system certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Ms. Tao Yanbing / Administrative Manager was responsible for HR management.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Tao Yanbing / Administrative Manager was appointed to be responsible for implementation of the code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Confidential policy about worker information was in place in the factory.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Personal records were kept by designated staff in Human Resource Department, and nobody could view the personal records without permission.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Annual risk assessment including evaluating policy and procedure effectiveness was conducted.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory developed risk management procedures, conducted post risk assessments, and took control measures for potential high risks.

Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has established the supplier policy, including the labor standards that the supplier should follow.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the land rights licenses and permissions for review.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Per management interview, the factory was aware of local and national and international laws and requirements with regards to Land Rights.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No evidence showed that the facility compensated the owner or lessor for the land prior to the facility being built or expanded.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No such situation happened in facility.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no any evidence of illegal appropriation of land for facility building or expansion of footprint.

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory had a policy which prohibited forced labour and this was available for review.
- 2.There was a procedure stating that employees must present their ID cards for proof of age, but that only copies must be kept in the personnel files and the original given back to the workers.
- 3.The employee handbook was given to all workers on joining, stated that employees within their probation period was free to leave with 3 days written notice and once a worker was permanent (this was out of probation), they could resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
- 4.The managements did not prohibit workers from leaving the premises outside of working hours. Overtime was voluntary.
- 5.No illegal deductions, any deposits or withholding was identified based on the review of the payrolls.
- 6.The recruitment procedure stated that they could not recruit prison workers, compulsory overtime was prohibited, and employees can report threats, intimidation and abuse to management.
- 7.The factory signed the labor contract with its employees, the labour contract did not have abusive items.
- 8.The administrative department of the factory was responsible for recruitment employees independently, and employees did not need to pay the recruitment fee.
- 9.Workers were not forced to work through the use of threats, intimidation or physical abuse.

Evidence examined:

- 1.Social accountability policy and manual
- 2.Employee handbook
- 3.Recruitment procedure
- 4.Personnel files and labour contracts
- 5.Payroll records
- 6.Resignation records
- 7.Interview with management and workers
- 8.Site tour
- 9.Labour contracts

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on document review and workers' interview, there was no any restriction on workers' freedom to terminate employment.
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A: The factory had no business which was UK based or registered in UK.
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on workers interview and document, all employees were free to leave the site at the end of the workday.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The facility management claimed that they understood the risks of forced labour in its supply chain and facility was taking steps to reduce the risk of forced labour.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility took steps to reduce the risk of forced / trafficked labour, for example, they established policy and procedure of non forced /trafficked labour.

2 - Freedom of Association and Right to Collective Bargaining are Respected

[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.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.
- 2.The written policy on freedom of association showed that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organizational activities.
- 3.There is no union at the site.
- 4.There was evidence of two worker representatives elected freely by workers.
- 5.Employees understood collective bargaining rights but had no plans to conduct the collective bargaining with the company.

Evidence examined:

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

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other <input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	There were two worker representatives in the factory.
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box, hotline and email were available for workers to communicate with senior management or factory owner anonymously.

Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The worker's representative could use any vacant rooms to meet workers freely.
Name of union and union representative, if applicable:	N/A. There was no trade union at the facility.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Yes, two worker representatives were elected freely by workers on Sep. 7, 2023.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All workers were aware of who their representative was. And a lot of topics had been discussed, such as communication channels, team building activities, working hours, wages & benefits and etc.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-09-07
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting of workers was effective, held every three months and took correction plan, and latest meeting was held on July 15, 2024. Topics covered "follow up of last meeting, Toilet hygiene housekeeping, etc."
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

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

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

3.1 Management system

- The factory provided pre-job occupational health training and regular on-job occupational health training for employees and disseminated occupational health and safety knowledge.
- Health & safety policy was established, and the factory managers were familiar with it.
- Mr. Jiang Jinqiang / Factory Manager for the site EHS management.
- There was a health and safety committee at the site. The H&S committee met workers quarterly.
- H&S Risk assessments were conducted.
- The factory has conducted effective risk assessment to ensure the safety of all types of workers, e.g. migrant workers.

3.2 Personal Protective Equipment (PPE)

- The factory provided training records on the use of PPE.
- All PPE was provided free of charge to employees, who can replace the used PPE as defined frequency or broken.

3.3 Emergency response/ First aid/ Accidents.

- 2 employees attended the first aid training and obtained validated training certificates about first responder by external authorized unit.
- The factory signed the medical treatment agreement with one local hospital.
- The factory offered pre-job fire safety training for employees and organized fire safety training and fire protection drilling. The latest two fire drills of all employees were conducted on Aug. 23, 2024 and Mar. 26, 2024.
- All evacuation exits were clear and unblocked and its width was enough.
- The factory kept the records of work-related injury. No accident or injury had occurred up to the audit date.
- The factory established an emergency plan, including mechanical injury, fire accident, high temperature, traffic accident, electric shock, environmental pollution, natural disaster and so on.
- Sufficient first aid supply was provided at first aid kits.

3.4 Electrical safety

- The factory recruited one free electrician with qualification certificate in the site and the certificate was provided for review, the electrician regularly inspected the electrical safety of the factory.
- All electrical equipment such as sockets, plugs, switches and main fuse boards were maintained.

3.5 Fire safety

- Fire equipment (e.g. fire alarm, extinguishers) and evacuation facilities were equipped at each floor.
- Firefighting facilities were inspected once every month, and check records were available.
- There were designated fire fighters at each workplace.
- Fire acceptance check document was provided for review.

3.6 Machinery

- The equipment management personnel regularly maintained the equipment and kept the maintenance records.
- There was two cargo-lifts and one fork-lift used in the factory, and annual inspection reports of the special equipment was provided for review.
- The external training certificate of EHS and license for special equipment operation were provided for review.

3.7 Building safety

- The factory had obtained the report of the construction safety identification report for its building.
- The building was observed in safety conditions and without cracks.

3.8 Hygiene

- The factory did not provide canteen/kitchen for employees.
- Lavatory facilities were accessible and adequate in number and segregated for men and women. Washbasins and water taps were available and adequate.
- 5% finished products were stored in the production area against the walls which was not in compliance with space between stack and wall at least 0.5 Meter.

3.9 Chemicals

- Main chemicals the factory used were Mold release and Lubrication oil in the factory.
- The factory provided training on chemical safety to employees.
- SDSs of chemicals were provided at workshop and using chemical area.
- Chemicals with anti-leakage facilities were equipped by the factory.

3.10 Worker health

- Drinking water with validated testing report was provided free of charge to workers in the factory.
- The workshop had ventilation equipment, lighting, temperature, noise and dust were appropriate.
- Employees understood the occupational hazard risks of their posts.
- Report of testing factors on occupational health hazards was conducted.
- The factory didn't provide on-the-job occupational health check to one worker who exposed to occupational hazardous factors.


3.11 Accommodation

- The factory did not provide dormitory for employees.

Evidence examined:
1. Health and safety policy and procedures 2. Health and safety manual 3. Health and safety committee minutes 4. Training records and certificates 5. Relevant licenses issued by the government agencies 6. Fire equipment maintenance records 7. Fire drill and evacuation records 8. The report of acceptance checks for construction completion 9. Fire safety certificates and build safety inspection report 10. First aider certificate 11. Check records on fire equipment 12. Accident management procedure and blank injury log 13. PPE issuance list 14. Drinking water testing report 15. The occupational health examination reports 16. Interview with H&S manager and committee members 17. Interview with workers 18. Site tour
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The general and occupational Health & Safety policies and procedures were established in the factory, and last training about these policies and procedures was provided to all workers on July 25, 2024.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Health & Safety policies are included in worker's manual; workers knew them well as per worker interview.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not alter the structure of the building.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided PPE such as earplugs to the visitors and required the visitors to wear during factory tour. The visitors are informed not to touch any machines in the factory and not smoke in the production building.
Is a medical room or medical facility provided for workers? (This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The first aid kits were provided in all workshops for workers. No medical room was provided for employees.

Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No doctor or nurse on-site for workers. There were two trained first aiders for all employees in the factory. The contact information about the trained first aiders were posted near the first aid kits at the facility.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No worker transport was provided in the factory.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided for all employees.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had conducted working hours control analysis and conducted annual risk assessment including H&S and fire safety issues. And the controls to reduce identified risk was conducted such as controlling the overtime working hour, regular onsite checking and etc.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had legally required environmental documents including receipt of registration for fixing pollution source discharge were provided and relevant application form for review as per legal required. According to Classified Management Directory for Environmental Impact Assessment of construction projects, the factory was exempted from EIA.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No banned chemicals were used, and main chemicals (mold release agent and lubrication oil) which were used for products and machinery using met customer requirements on environmental standards.

Non-Compliance		Evidence																													
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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600628466</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>327 - Storage of goods not in line with legal requirements (e.g. too high)</td></tr><tr><td>Subcategory</td><td>Hygiene Facilities & Housekeeping</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Article 18 of Rules for Warehouse Fire Prevention Safety Management: The goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. 根据《仓库防火安全管理规则》第18条:库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。</td></tr><tr><td>ETI code</td><td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td></tr><tr><td>Explanation to the non compliance</td><td>Based on factory tour, it was noted that 5% finished-goods were stored against the walls in the finished-goods temporary storage area of forming section at 1st floor. 现场走访发现，一楼成型部门成品暂存区域约有5%的成品靠着墙存放。</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> <input type="checkbox"/></td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600628466	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	Subcategory	Hygiene Facilities & Housekeeping	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Article 18 of Rules for Warehouse Fire Prevention Safety Management: The goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. 根据《仓库防火安全管理规则》第18条:库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。	ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	Based on factory tour, it was noted that 5% finished-goods were stored against the walls in the finished-goods temporary storage area of forming section at 1st floor. 现场走访发现，一楼成型部门成品暂存区域约有5%的成品靠着墙存放。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> <input type="checkbox"/>	<div><p><u>NC-Finished products against wall.JPG</u></p></div>
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	365 days	Other	
Actions	It is recommended that management adopt practices and controls to ensure that the occupied width of gap between stacks and walls are in accordance with the legal requirement. 建议管理层采取实践和控制措施，以确保垛和墙之间的间隙占用宽度符合法律要求。		

Non-Compliance		Evidence																										
[Back to findings summary]																												
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method	
Timescale	<div><input type="checkbox"/> Immediate</div> <div><input type="checkbox"/> 30 days</div> <div><input checked="" type="checkbox"/> 60 days</div> <div><input type="checkbox"/> 90 days</div> <div><input type="checkbox"/> 120 days</div> <div><input type="checkbox"/> 180 days</div> <div><input type="checkbox"/> 365 days</div> <div><input type="checkbox"/> Other</div>
Actions	It is recommended that the factory provide regular on-the-job occupational health check to workers exposed to occupational hazard factors. 建议工厂给接触职业病危害因素的员工提供定期的在职职业健康体检。



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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current Systems:

1.The factory evaluated the risks of child labour for its sector and country, established the recruitment procedure on prohibiting child labour.

2.All employees should be only hired by Administration department of the factory but not by any other department.

3.Based on the management interview, employees' ID and photo should be checked at the point of recruitment. The employee without valid ID certificate should not be hired.

4.The factory established child labour remediation procedure. No child labour was found during the audit.

5.The factory has established protection procedures for young workers. During this audit, it was not found that the factory used young workers.

6.The personnel in charge of recruitment was trained and aware of the risks.

7.Based on the documents review, there was no child labour in the factory. The youngest worker was 20 years old who was born on Nov. 3, 2003 and joined in the factory on July 9, 2024.

Evidence examined:

1.Recruitment procedure.

2.Child labour remediation procedure.

3.Protection procedures for young workers.

4.Latest employee list.

5.Personnel files of all workers.

6.Interview with management and workers

7.Site tour

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	20
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No young worker worked in the factory.

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory established the wages and benefits management procedure, wages were paid on time accurately and according to legislation.
2. The local legal minimum wage standard has been raised to RMB1900/Month (RMB 10.92/Hour) effective from Dec. 1, 2021.
- 3.Payroll records from August 2023 to July 2024 were provided by the factory for checks. All workers were paid hourly wages and the lowest wage for regular hours was RMB2100 (RMB 12.07/Hour) per month, which comply with legal minimum wage RMB1900/Month (RMB 10.92/Hour).
- 4.150% of normal wage rate for weekday overtime, and 200% of normal wage rate for rest-day overtime. No overtime was arranged on statutory holidays.
- 5.All workers will be paid before 15th of next month by cash and each worker was given a pay slip.
- 6.Workers understood their wages, including clear contractual clauses, time recording systems and payslips.
- 7.The factory had provided annual leaves, breastfeeding leave and maternity leave and so on for workers according to the benefit policy.
- 8.The employees who violated the factory rules would be warned, dismissed or terminated, no monetary fine for disciplinary purpose was found.
- 9.Insufficient social insurance was observed.

Evidence examined:

1. Employee handbook
2. Local legal minimum wage documents
3. Training records
4. Payroll records
5. Time records
6. Leave records
7. Resignation records
8. Production records
9. Sample pay slips with recorded hours of all workers interviewed
10. Workers' contracts
11. Social insurance receipt

Any other comments:

NII

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 16.0 Per Month: 68.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 1900	Actual Per Day: 96.55 Per Week: 482.76 Per Month: 2100	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 36.21 Per Week: 229.31 Per Month: 1279.42	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from July 2024 (current) 10 samples from March 2024 (random) 10 samples from December 2023 (random)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The factory paid lowest wages RMB2100 (RMB12.07/Hour) which is above law required RMB1900/Month (RMB10.92/Hour).		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:1. Service year bonus (RMB0~800 per month) for all employees depend on employees' position etc. 2. Full attendance allowance: RMB0~100 per month Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Personal income tax, social insurance fee		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Please list all deductions that have been made.	1. Social insurance. 2. Individual income tax Based on the workers and management interview, social insurance and individual income tax for workers had been deducted from their wages.
Please list all deductions that have not been made.	1. The workers would not be deducted the tax who did not reach the tax threshold of the personal income tax. 2. If an employee who would not participate social insurance, certainly the facility would not deduct the personal contribution parts of social insurance.
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The records reflected all time worked. For instance, workers were asked to attend training before or after work and the facility paid for their time.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employee's interviews, it was confirmed there was consideration to basic needs of workers plus discretionary income during wage analysis per year.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employee's interviews, it was confirmed that equal rates are being paid for equal work. No discrimination was detected.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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Explanation to the non compliance	Based on the review of the social insurance contribution period from August 2023 to August 2024 (payment receipts from August 2023 to August 2024 were reviewed), insufficient social insurance was observed. There were 48 employees at the facility on the audit day, there were 3 retired employee, no newly joined employees, no temporary employees, and no dispatched employees. 45 employees should be involved in social insurance. According to social insurance receipt in August 2024, 35 out of 45 (78%) employees have participated social insurance including work-injury, pension, medical, unemployment and child-bearing insurance. In addition, the factory provided group commercial accident insurance for other all employees who haven't participated in social insurance, and valid period from June 19, 2024 to June 18, 2025. 根据对 2023年8月至2024年 8月的社会保险缴费期间的审阅 (参考了2023年8月至 2024年8月的社保缴费收据), 观察到 其社会保险不足。审核当天工厂共有48名员工, 有3名 退休员工, 没有新入职员工, 没有使用临时工和派遣工。因此45名员工应该 纳入社保。根据2024年8月的社会保险收据, 35/45名员工(78%) 参加了工伤、养老、医疗、失业和生育保险。另外工厂为所有没参加社保的员工购买了团体商业意外保险, 有效期为2024年6月19日至 2025年6月18日。		
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	It is recommended that factory management adopt practices and controls to ensure that all eligible employees receive all of their statutory welfare entitlements. 建议工厂采取措施确保所有应参保员工购买了社保。		

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. All workers used electronic time recording machine to record their working hours.
2. The factory's attendance system accurately recorded employees' working hours by Electronic (finger print) attendance system, and employees could report to the personnel department if the time records are wrong.
3. The attendance records from August 2023 to the audit date were provided and sampling checked during this audit.
4. The working hour policy, labour contracts etc. indicated that the regular working hours in the factory was 8 hours per day and 5 days per week.
5. The factory arranges the production in accordance with the clients' orders, so there was no fixed peak or non-peak month.
6. All department employees were one shift, 8:00-12:00, 12:30-16:30 with 0.5 hour break at noon.
7. All interviewed workers stated that they worked overtime on voluntary basis.
8. The maximum total weekly working hours were 56 hours.
9. The maximum overtime hours was 2 hour per working day, 16 hours per week and 68 hours per month.
10. All workers had one day off in seven days.
11. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records. However, excessive monthly working overtime was observed in selected sampled months.

Evidence examined:

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

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Electronic (finger print) attendance system		
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days	<input type="checkbox"/> 2 in 14 days	<input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Maximum number of days worked without a day off (in sample):	6		
Standard/Contracted Hours worked			
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:		
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Overtime Hours worked			
Actual overtime hours worked in sample (State per day/week/month)	Max. Daily(weekday) working overtime 2 hours/day in July 2024 (current) 2 hours/day in March 2024 (random) 2 hours/day in December 2023 (random) Max. Weekly working overtime 16 hours/week in July 2024 (current) 16 hours/week in March 2024 (random) 16 hours/week in December 2023 (random) Max. Monthly working overtime 64 hours/Month in June 2024 (current) 68 hours/Month in March 2024 (random) 68 hours/Month in December 2023 (random)		

Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Max. total weekly working hours: 56 (40+16)hours.
Approximate percentage of total workers on highest overtime hours:	40.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Contracts stated that overtime may be requested but it is voluntary, and workers would like to work overtime to earn money.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% of workers were paid for overtime wages as local law together with normal wages, on a monthly basis. The factory paid 150% of basic wage rate for overtime on workdays, and 200% of basic wage rate for overtime on rest days for employees, and no working overtime on public holiday was arranged.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other
Please give details	N/A. The factory paid at least 150% OT premium for workers per law required, which was higher than 125% OT premium. So there are no other consideration.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Based on working hour policy, production scheduling and hiring documents, it was noted that overtime hours were being used for extended periods to make up for labour shortages or increased order volumes.

If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600628465	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	During the review of payroll and time records in 12 months from August 2023 to July 2024, a violation of monthly overtime hours was found. In details: - In July 2024 (current): 10 out of 10 selected employees in production sections had worked 64 overtime hours maximum per month instead of 36 overtime hours as legal requirement. - In March 2024 (random): 10 out of 10 selected employees in production sections had worked 68 overtime hours maximum per month instead of 36 overtime hours as legal requirement. - In December 2023 (random): 10 out of 10 selected employees in production sections had worked from 68 overtime hours maximum per month instead of	

	36 overtime hours as legal requirement. 根据2023年8月至2024年7月12个月的工资和工时记录进行审阅，发现工厂员工的月加班时间违反了法律要求的月加班时间。详细如下： - 2024年7月(当前月):生产部门10名抽选的员工中有10人月加班违反法律要求的月加班小于36小时，最大达到64小时。 - 2024年3月(随机月):生产部门10名抽选的员工中有10人月加班违反法律要求的月加班小于36小时，最大达到68小时。 - 2023年12月(随机月):生产部门10名抽选的员工中有10人月加班违反法律要求的月加班小于36小时，最大达到68小时。
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂采取措施并控制确保加班不超过法律规定。

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Workers have the same terms and conditions of employment based only on knowledge, skills, and experience.
2. As informed by interviewed workers, most employees spoke highly of the factory owner.
3. The factory provided the same pay to male/female employees.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit.
5. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
6. There is an internal grievance process.
7. There is no evidence of sexual harassment.

Evidence examined:

1. Employee handbook including the hiring and termination procedure and disciplinary policy
2. CSR manual
3. Training records
4. Leave application records
5. Payroll records
6. Attendance records
7. Termination records
8. Disciplinary action records

Any other comments:

NII

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 25.0%		Female: 75.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	There were 2 female skilled or technical roles in the factory. Such as: the female skilled roles worked as quality control.		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	There was no evidence of any discrimination; workers had the same terms and conditions of employment based only on knowledge, skills, and experience.		
Professional Development			

What type of training and development are available for workers?	Induction training and periodic training including production skills were provided to workers. And workers development was based on workers' production skills, knowledge.
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. Work performed was on the basis of recognized employment relationship established through national law and practice.
2. The factory signed labour contracts with employees within 30 days after employment and provided one copy to the employees.
3. The employment agreement complied with all applicable regulations.
4. The factory conducted orientation training for new employees.
5. All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified.

Evidence examined:

1. Employee handbook including the hiring and termination practices
2. CSR manual
3. Personnel files
4. Payroll records
5. Labour contracts
6. Training records
7. Employee and management interview

Any other comments:

Nil

Responsible Recruitment

All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Migrant Workers	
Type of work undertaken by migrant workers:	All employees were permanent, and 15 domestic migrant workers did various positions same as local workers. The migrant workers were Chinese domestic, they were from Guangxi, Jiangxi, Fujian and Hainan etc.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A: No any deduction or transaction was found.
Is there any observation on this finding?	There is no any observation for this finding of regular employment.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 2 domestic migrant employees were in skilled, technical or management roles. Such as: one domestic migrant employee was in skilled role in quality management, one domestic migrant employee worked as warehouse management level staff.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. All workers were recruited by the factory directly. No agency was used.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. All workers were recruited by the factory directly. No agency was used.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. All workers were recruited by the factory directly. No agency was used.

Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No contractor was used by the factory.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No contractor was used by the factory.

8A - Sub-Contracting and Homeworking
[Summary of Findings]**8A: Compliance Requirements**

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory has established supplier management procedures, there was no home worker found during this audit.
- 2.If the client's products need subcontractor, the factory would inform the client, no inconsistent evidence was detected regarding this section.
- 3.Based on the site tour, the factory had all kinds of equipment to produce customers' products, all the production processes were on site.
- 4.By checking the production records, quality records, warehouse records and order information, no subcontractor was used by the factory.

Evidence examined:

- 1.List of approval supplier
- 2.Production records
- 3.Quality records
- 4.Warehouse records
- 5.Customer orders
- 6.Visitor/vehicle logs at factory gate
- 7.Interview with management and workers

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No

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

9: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. There was a policy on no harsh or inhumane treatment.
2. According to the documentation, the factory management had established a disciplinary procedure which included oral warning, written warning and finally termination of employment. The factory had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
3. There was an internal process for grievance, there was a suggestion box set in the workshop, workers could report any grievance (harassment, bullying, discrimination etc.) and any received complaint would be handled by general manager, without any reprisal for the worker.
4. The factory actively trained managers and workers on fair treatment, once harassment incident occurs, the management will take immediate action.

Evidence examined:

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

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers could report to the local authority department such as local labour bureau if violations occurred.
If yes, are workers aware of these channels and have access? Please give details.	Workers were aware of the channel and they could report violations to the Local labour bureau freely, which was confirmed by workers interview.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, hotline, email, worker representatives.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other

Please provide grievance mechanism details	Employees could raise their grievances directly to supervisors, worker representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board. External stakeholders could raise their grievances through the company's public contact information, such as phone and email, the management of the company will deal with it timely.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.As per document review, management and workers interview, no employment agency was used by the factory.
- 2.The factory recruited the new workers directly by the advertisements, employees' recommendation and recruitment fair.
- 3.All workers in the factory were Chinese.
- 4.All workers had the proper legal rights to work in this region.
- 5.No agency staff or foreign worker was found during this audit.

Evidence examined:

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

Any other comments:

Nil

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

10B2: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory established the written environmental policy, manual and a series of procedures and an environmental management committee to implement the control measures on environment protection.
- 2.The factory had legally required environmental documents including receipt of registration for fixing pollution source discharge were provided and relevant application form for review as per legal required.
- 3.The main waste discharged from the factory were material scraps, waste packing material, empty chemical containers, and the disposal records were available.
- 4.No industrial wastewater and waste air were generated from production in the factory. Relevant monitor data including annual testing report for air emission, noise and domestic wastewater were kept for review.
- 5.The factory had provided environment training for relative management and workers per year and kept relative training records. Mr. Jiang Jinqiang / Factory Manager was responsible for the environmental management, understood local environment laws and regulations, understood the end client's environmental standards/code requirements.
- 6.The factory had established an environmental policy, covering their environmental impact, which was communicated to all appropriate parties, including its own suppliers.
- 7.The factory was not subjected to any fines/prosecutions for non-compliance to environmental regulations.
- 8.Based on observation on site, management interview and document review. Chemical waste was disposed by qualified units and relevant transfer records were kept for review.
- 9.The factory commissioned a qualified agency to monitor its discharges of environmental pollutants, kept the monitoring reports for review. Monitoring data showed that the factory's pollutant discharge met the relevant national standards.



Evidence examined:

- 1.Environment policy, manual & procedures.
2. Waste handling records
- 3.Training records
- 4.Energy bills and water bills
- 5.Renewal energy specification
- 6.Management interview and worker interview
- 7.Site tour
- 8.Monitoring data
- 9.Hazardous waste disposal agreements and transfer records
10. All legally required environmental documents

Any other comments:

Nil

Attachments

 <u>24CHN-1443797 OPS02_F12 Photo Report SMETA.pdf</u>	 <u>24CHN-1443797 Signed CAPR.pdf</u>
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[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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