



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000035783	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000041889
Business name (Company name):	Longyan Qifeng Crafts Co Ltd		
Site name:	Longyan Qifeng Crafts Co Ltd		
Site address:	No.185, Lianhang Road, Jiangfang Village, Lianfeng Town, Liancheng County, Longyan, Fujian, China 福建省龙岩市连城县莲峰 镇江坊村连航路185号 Longyan 366200 CN	Country:	CN
Site contact and job title:	Ms. Luo Huayuan / GM		
Site phone:	13859590159	Site e-mail:	wendy@ennasgifts.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:	2024-07-15		

Audit Company Name:
TUV Rheinland (TUEV Rheinland)

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:	Winnie Li	APSCA Number:	32200219
Additional Auditors:			
Date of declaration:	2024-07-15		

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:	Ms. Luo Huayuan
Title:	GM
Date of declaration:	2024-07-15
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>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).</i> <i>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></p>
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 3.1	§1 §2 §3	3	0	0	NC - ZAF600558594 NC - ZAF600558595 NC - ZAF600558596
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§4	1	0	0	NC - ZAF600558597
6 - Working hours are not excessive	6.1	§5	1	0	0	NC - ZAF600558598
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	Regulation on chemical safe handling in workplace (1997), Article 12 The chemicals used by the user shall be marked, and the dangerous chemicals shall have safety labels, and safety technical instructions shall be provided to the operators.

<p>§2</p>	<p>Law of the People's Republic of China on the Prevention and Control of Occupational Disease article 35 The employer shall, in accordance with the regulations of the public health authority under The State Council, organize the pre-post, on-post and off-post occupational health examination for the laborers engaged in the occupational-disease-inductive operations, and inform the laborers of the result of the examination in writing. The employer shall bear the cost of occupational health examination. The employer may not arrange the laborers who have not received the pre-employment occupational health examination to engage in the occupational-disease-inductive operation. Workers with occupational taboos shall not be arranged to engage in taboo operations; The workers who are found to have occupation-related health injuries during the occupational health examination shall be transferred from their original posts and properly arranged for them; Workers who fail to undergo pre-departure occupational health examination may not dissolve or terminate their labor contracts. The occupational health examination shall be undertaken by the medical and health institution that has obtained the Practicing license of Medical Institution. The administrative department for public health shall strengthen the standardized management of occupational health examination, and the specific management measures shall be formulated by the administrative department for public health under The State Council.</p>
<p>§3</p>	<p>General rules for fire safety management of storage occupancies (GA 1131-2014) 6.8 Within the warehouse store things should meet the following requirements: a) the distance between the top and floor of stacking, flat roof is not less than 0.3 m (herringbone roof from beam);B) the goods and the distance between the lamp is not less than 0.5 m; C) goods and the distance between the wall not less than 0.5 m; D) the distance between the item stacking and column is not less than 0.3 m; E) the distance between the goods piling and stacking is not less than 1 m.</p>
<p>§4</p>	<p>Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p>
<p>§5</p>	<p>PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p>

Site Details

Site Details			
Company Name	Longyan Qifeng Crafts Co Ltd		
Site Name	Longyan Qifeng Crafts Co Ltd		
GPS location (if available)	GPS Address:	No.185, Lianhang Road, Jiangfang Village, Lianfeng Town, Liancheng County, Longyan, Fujian, China 福建省龙岩市连城县莲峰镇江坊村连航路185号	
	Coordinates:	Longitude:116°45'15"E, Latitude: 25°41'10"N	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91350825MA32ADQG0U. The valid date was from 30 Nov, 2018 to long term.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Resin crafts		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Longyan Qifeng Crafts Co., Ltd. was located at No.185, Lianhang Road, Jiangfang Village, Lianfeng Town, Liancheng County, Longyan, Fujian, China福建省龙岩市连城县莲峰镇江坊村连航路185号. The factory was mainly focus on resin crafts manufacturing. The factory rented one flat production building (including an interlayer in the building) as warehouse, office and workshop, and its occupied area was 1439 S.Q. meters. No dormitory, canteen and kitchen were available for workers. Remark: In the factory yard, there were total 3 flat buildings, the other two buildings were using by a root carving factory's warehouse, and it was not including in audit scope. Due to new platform reasons, the site information display is incomplete and cannot be modified, so it is further explained as below: Company name: Longyan Qifeng Crafts Co., Ltd. Site name: Longyan Qifeng Crafts Co., Ltd.龙岩齐峰工艺品有限公司. Site address: No.185, Lianhang Road, Jiangfang Village, Lianfeng Town, Liancheng County, Longyan, Fujian, China 福建省龙岩市连城县莲峰镇江坊村连航路185号. Audit type: Semi-announced SMETA Full Initial Audit (2-pillars) on 15/ Jul/ 2024, audit windows: 2 weeks. Leader auditor: Winnie Li, Additional Auditor(s): Nil.</p>		
Structure and number of buildings	Building Name:	The one flat production building	
	Floor	Description	Remark
	1F	The auditee's warehouse and workshop	The building was finished in year 1993.
	The interlayer	Office and idle material warehouse	The building was finished in year 1993.

Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No visible structural integrity issues (large cracks) was observed.
Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory buildings were finished in year 1993, and building structure acceptance certificate was not required as per legal requirement.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	Select a month to Select a month
Process overview	The main product in the factory was resin crafts. The manufacturing processes were Raw material->slip casting -> polishing ->spraying coating-> painting->Inspection / Packing->Finished goods. The main machines using in factory were: Vacuum Box: 4 sets, oven: 1 set, spraying coating table: 1 set and polishing machine: 1 set.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Two worker representatives were elected by workers freely.
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 accommodation was provided for workers.

Audit Parameters		
Time in and time out	Day 1	
	In	08:10
	Out	17:10
Audit type:	FULL_INITIAL	
Was the audit announced?	SEMI_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	Ms. Luo Huayuan / GM	
Is further information available	No	

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	N/A. No trade union was formed in factory.		
<i>Reason for absence during the audit</i>	N/A. No trade union was formed in factory.		
<i>Reason for absence at the closing meeting</i>	N/A. No trade union was formed in 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	8	0	0	2	0	0	0	10
Worker numbers - female	28	0	0	0	0	0	0	28
Total	36	0	0	2	0	0	0	38
Number of Workers interviewed - male	2	0	0	1	0	0	0	3
Number of Workers interviewed - female	7	0	0	0	0	0	0	7
Total - interviewed sample size	9	0	0	1	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: No obvious peak seasons in factory.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 workers x 1 group, total 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?	Based on workers interview, no worker complained anything during the interview.
What did the workers like the most about working at this site?	Most workers said that they were satisfied with working condition and the wages.
Any additional comment(s) regarding interviews:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
During the audit, 10 workers were selected from different workshops for interview including 3 male workers and 7 female workers and they were interviewed as one group of 4 workers (total 4 workers) and 6 individually for more detail information. The workers were interviewed in a confidential meeting room in workshop; most interviewed workers were satisfied with their employment at the factory. In addition, most workers were satisfied with the wages and working hours; the relationship between supervisors and workers were acceptable. And they could compliant to worker representatives or supervisors directly. Moreover, most workers acknowledged leaves and benefit per interview; they could also communicate with leaders for working hours and wages calculations directly.
Attitude of worker's committee/union reps:
The worker representative showed that the management was cooperative with workers and the workplace was generally acceptable. They were satisfied with management attitude and no negative evidence was observed on worker members were treated differently.
Attitude of managers:
The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; to take photo of the factory, to copy relevant document records and conduct confidential workers interview. During the audit, management showed they were willing to gradually improve all issues found on-site.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

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. Mr. Li Shibiao / Factory Director was responsible for implementing standards concerning Human rights.

Evidence examined:

Details:

1. Management interview
2. Workers interview
3. Documents review

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the policy which stated that expresses commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy was included in workers' manuals.
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: Mr. Li Shibiao / Factory Director was the 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 established 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: All employee information and personnel files were kept locked away in the human resources office and only viewed by the HR staff.				
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))	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">1.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">1.0%</td> </tr> </table>	Last year	1.0%	This year	1.0%
Last year	1.0%				
This year	1.0%				
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])	1.0%				
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">2.5%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">2.5%</td> </tr> </table>	Last year	2.5%	This year	2.5%
Last year	2.5%				
This year	2.5%				
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)	1.0%				
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accident records were kept with actions available.				
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0.0%</td> </tr> </table>	Last year	0.0%	This year	0.0%
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.The factory appointed Mr. Li Shibiao / Factory Director to be responsible for compliance with ETI Base Code.
- 2.Internal social responsibility audit or management review was conducted on site regularly.
- 3.The ETI code was posted on the announced board and the ETI code training was conducted regularly.
- 4.The ETI code was communicated to their qualified supplier and the code was signed back to factory.

Evidence examined:

Details:

- 1. Social responsibility policy and procedure.
- 2. Management system.
- 3. Worker interview and management interview
- 4. Qualified supplier list.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: 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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers in each month, the last training date was in June, 2024.
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: The factory had provided the training to management and workers in each month and provided related records for review.
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: No such certificates were available for review.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There was a HR department in the factory. And Mr. Li Shibiao / Factory Director was responsible for HR issues.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Li Shibiao / Factory Director was 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: Policy was established in employee manual.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All worker information is kept locked in files in the personnel office.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site did internal audits of its personnel systems to evaluate policy and procedure effectiveness.
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: Any problems found at internal audit are brought to the attention of senior management and corrections made.
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 site sends a copy of the ETI code and any relevant customer codes to its own suppliers.
Land Rights	

<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory provided the certificate of land for review.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory recognized and applied national laws and practices relating to land title.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: NA, The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: The factory rented production building from the landlord, and no such policy was available.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No land acquisition plan.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No illegal land for factory building or expansion of footprint.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- 2.The employees obtained their job by HR market or by friend's recommendation.
- 3.The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- 4.The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- 5.Contract for security guards state that they must not prevent workers from leaving the premises outside of working hours and where they are conducting searches that this is at the request of management, is done on a sample basis and is performed discretely and without significant delay to workers leaving at the end of shift.
- 6.No forced, bonded or involuntary prison labour was identified during the audit.

Evidence examined:

Details:

- 1.Factory rules
- 2.Employee handbook
- 3.Personnel files
- 4.Resignation records
- 5.Worker contracts
- 6.Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No negative evidence was found during audit.

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

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 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.Based on document review, management review and worker interview, two worker representatives were elected in factory on 1 Apr, 2024 and the worker representative meeting was conducted once time quarterly. The latest two meetings were conducted on 1 Apr, 2024 and 1 Jul, 2024 respectively. The meeting records were provided for review.
- 3.Through worker interview, the worker could rise up their opinion through worker representative or communicate with their supervisor.
- 4.Workers could raise their grievances or complaint to their worker representative or management directly.

Evidence examined:

Details:

- 1. The policy on freedom of association
- 2. Minutes of the works committee meeting
- 3. Interview with workers and management
- 4. Interview with workers committee members
- 5. Worker representative elected records

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other <input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Two worker representatives were elected by workers freely.
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker representatives and suggestion box

Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The meeting room was provided by factory.
Name of union and union representative, if applicable:	N/A. No union was founded in factory.
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?	Two worker representatives were elected in factory.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker representatives elected result had announced to workers, and it was confirmed by workers interview.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-04-01
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 was conducted regularly, and the lastest two meetings were conducted on 1 Apr, 2024 and 1 Jul, 2024. Worker representative elected and safety and health topics were covered and 30 minutes were communicated.
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:

1. General Health and Safety management

- Mr. Li Shibiao/Factory Director is responsible for issue of Health & Safety in the factory.
- Minutes of meetings show that there were monthly meetings between H&S committee and H&S responsible person.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- The factory provided potable water to workers free of charge in workshop.

2. Fire Safety

- Evacuation plans were posted in workshop and understood by all interviewed workers.
- Sufficient fire-fighting equipment such as fire extinguishers, fire alarm, emergency light, exit signs and hydrants in production building. Regular inspection was taken by the factory per month.
- There were two exits available for workshop.
- Fire drill was conducted in the factory on 30 Oct, 2023 and 30 Apr, 2024 and records were available, and all workers were covered.
- The factory building was finished construction in year 1993 through property right certificate verification, and fire acceptance certificate was not required by legal requirement.

3. Electrical safety

- The electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.
- One part time electrician was available in the factory and the qualification certificate was provided for review.

4. Medical services

- Sufficient first aid kits in the production area and they were well stocked.
- Two trained first aiders were available in the factory, and the qualification certificates were provided for review.

5. Chemicals

- Chemicals such as paint and solvents were using in factory.
- The chemicals were stored in a separated area. MSDS and secondary containers were available.

6. PPE



- The factory provided PPEs for workers where necessary freely, such as gas masks and rubber gloves for painting & spraying coating workers involving in chemicals and dust proof masks and earplugs for polishing workers involving in dust and noise.
- Related warning signs were posted onsite.

Evidence examined:

<p>Details:</p> <ol style="list-style-type: none"> 1. Health and safety policy 2. Health and safety manual 3. Fire equipment maintenance records 4. Training records 5. Fire drill records 6. Trained first aider certificates 7. Accident records 8. Interview with factory management and workers 9. Onsite observation 10. Chemical list and MSDS
<p>Any other comments:</p>
<p>Nil</p>

<p>Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established EHS policy and published to workers.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Employees manual covered the Health and Safety policies.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Factory provided ownership Certificate to proof that all factory buildings were finished build in year 1993, and building structural safety certificates were not required by legal requirement.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Visitor's badges have H&S information on them and the visitor is requested to read it, meanwhile the factory provide masks and earplugs to visitors.</p>
<p>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))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No such requirement in local law, But the factory had adequate first aid kits on site.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had two qualified first aiders on site.</p>
<p>Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Factory did not provide transport.</p>



<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. No dormitory was provided for workers.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: EHS risk assessments were conducted regularly with actions implementation.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory had obtained EIA, EIA approval, environmental facilities inspection and acceptance approval and fixed pollution source discharge registration for review.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: It was acceptable and no banned chemicals were used in factory.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600558594	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input 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	Regulation on chemical safe handling in workplace (1997), Article 12 The chemicals used by the user shall be marked, and the dangerous chemicals shall have safety labels, and safety technical instructions shall be provided to the operators.	
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 site observation, no chemical labels were available for the 40% chemical containers (i.e. used for filling paint and solvent etc) at chemical stored and used area. 现场审核发现化学品储存和使用区的40%化学品容器(即:用来盛装油漆和溶剂等)没有化学品安全标签。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should ensure chemical safety labels are available for the chemical containers at chemical stored and used area. 工厂应确保现场储存和使用的化学品容器均张贴化学品安全标签。	
		<p><u>No chemical safety label for chemical containers at chemical using area..JPG</u></p>
		<p><u>No chemical safety label for chemical containers at chemical stored area..JPG</u></p>

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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600558595	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	317 - No medical examinations / regular occupational health checks including disease checks of workers in hazardous situations (e.g. noise / chemicals / dust)	
Subcategory	Worker Health	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input 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	<p>Law of the People's Republic of China on the Prevention and Control of Occupational Disease article 35</p> <p>The employer shall, in accordance with the regulations of the public health authority under The State Council, organize the pre-post, on-post and off-post occupational health examination for the laborers engaged in the occupational-disease-inductive operations, and inform the laborers of the result of the examination in writing. The employer shall bear the cost of occupational health examination. The employer may not arrange the laborers who have not received the pre-employment occupational health examination to engage in the occupational-disease-inductive operation. Workers with occupational taboos shall not be arranged to engage in taboo operations; The workers who are found to have occupation-related health injuries during the occupational health examination shall be transferred from their original posts and properly arranged for them; Workers who fail to undergo pre-departure occupational health examination may not dissolve or terminate their labor contracts. The occupational health examination shall be undertaken by the medical and health institution that has obtained the Practicing license of Medical Institution. The administrative department for public health shall strengthen the standardized management of occupational health examination, and the specific management measures shall be formulated by the administrative department for public health under The State Council.</p>	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing	

	knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	The factory did not arrange occupational health examination (including pre-job, on-job and job leaving occupational health examinations) for all workers who engaged in hazardous environment, such as spraying coating and painting workers involving in hazardous chemicals, and polishing workers involving in noise and dust. 工厂未给接触危险岗位的员工安排职业健康体检(包含岗前, 岗中和离岗职业健康体检), 如:喷漆和彩绘员工接触危险化学品及打磨员工接触噪音和粉尘。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should arrange occupational health examination for the mentioned workers. 工厂应给所提员工安排职业健康体检。	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600558596	
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 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	General rules for fire safety management of storage occupancies (GA 1131-2014) 6.8 Within the warehouse store things should meet the following requirements: a) the distance between the top and floor of stacking, flat roof is not less than 0.3 m (herringbone roof from beam);B) the goods and the distance between the lamp is not less than 0.5 m; C) goods and the distance between the wall not less than 0.5 m; D) the distance between the item stacking and column is not less than 0.3 m; E) the distance between the goods piling and stacking is not less than 1 m.	
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 site observation, the distance between 10% finished goods & packing materials and wall was less than 0.5M.现场审核发现10%成品&包材与墙之间间隔不足0.5米.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The finished goods and packing materials should be placed away not less than 0.5M. 成品/包材与墙之间间	
		 <p>The distance between packing materials and wall was less than 0.5M..JPG</p>  <p>The distance between finished goods and wall was less than 0.5M..JPG</p>

	隔应不少于0.5M。	
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4 - Child Labour Shall Not Be Used
[Summary of Findings]

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their copies of ID card were kept in their personnel file. And the policy stated that the factory never employ and use any child labour under the age of 16 years old.
 - 2.The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, no young worker worked in factory.
 - 3.Checks of all workers files showed that the youngest worker on site was 35-year-old who born on 24 Aug, 1988 and recruited on 30 Nov, 2018. No young workers worked in factory.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour.

Evidence examined:

Details:

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

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	35
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 workers in the factory during the audit date.

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 local legal minimum wage was RMB1660 per month (the same as RMB9.54 per hour) since 1 Apr.,2022.
2. All workers were paid by hourly rate. The factory paid RMB2300 per month (the same as RMB13.22 per hour) since June, 2023. The minimum wages were compliance with local legal requirement.
3. All workers were paid in the end of following month by cash and each worker was given a pay slip and signed for their wages.
4. All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
5. Not all workers were provided with social insurance.

Evidence examined:

Details:

1. Payroll records from June, 2023 to May, 2024.
2. Local legal minimum wage documents
3. Wages and benefits policy
4. Labour contracts for all interviewed employees (to examine agreed wage rates)
5. Leave records and resignation records
6. Pay slips of all interviewed workers
7. Payment receipts of social insurance
8. Workers and management interview

Any other comments:


Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: 174.0	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: 18.0 Per Month: 82.0	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: 76.32 Per Week: 381.61 Per Month: 1660	Actual Per Day: 105.75 Per Week: 528.75 Per Month: 2300	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: 39.66 Per Week: 409.82 Per Month: 1890.46	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 May, 2024 (current paid month) 10 samples from Dec, 2023 (random month) 10 samples from Sept, 2023 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The factory paid RMB2300 per month (the same as RMB13.22 per hour) since June, 2023, which was higher than legal requirement.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: No such bonus were available for workers. 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 contribution of social insurance, income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	No such deduction was made from worker's wages.		
Please list all deductions that have not been made.	For personal contribution of social insurance and income tax, factory stated that they were paid by factory side.		
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		

<p>Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The attendance records indicated that the punched in and out were calculated as work time and meetings before or after work were paid for their time, based on workers interview and management interview.</p>
<p>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.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage</p> <p><input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK</p> <p><input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation</p> <p><input type="checkbox"/> Other – please give details:</p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Adjusting wages according to the local minimum wage.</p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Confirmed by workers interview, management interview and factory policy.</p>
<p>How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque</p> <p><input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600558597	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.	
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	<p><u>Not all workers were provided with social insurance..JPG</u></p>
Explanation to the non compliance	Not all workers were provided with social insurance. There were total 40 employees hired at the factory during audit date. 5 employee was retire hired to work again, no employee was new hired and no employee was resigned since Jul, 2024, so the	

	<p>factory should provide social insurance to 35 employees in Jul, 2024. The factory provided social insurance receipts from Aug, 2023 to Jul, 2024 for review, as per the social insurance receipts in Jul, 2024 and management review, the factory only provided retirement and work-related injury insurance for 14 workers (40%), provided unemployment for 12 workers (34.3%), and provided medical & child-bearing insurance for 1 worker (2.8%). Remark: Factory provided commercial accident insurance for all workers, and valid date was since 1 Mar, 2024 to 28 Feb, 2025. 不是所有人都缴纳了社保。工厂共有40名员工，5名退休返聘员工，2024年7月无新入职员工，无离职员工，因此，工厂在2024年7月应给35名员工缴纳社保。工厂提供了2023年8月-2024年7月的社保缴费记录，根据管理层访谈及2024年7月的缴费记录，工厂仅给14名员工(40%)缴交养老保险和工伤保险，给12名员工缴交失业保险(34.3%)，给1名员工(2.8%)缴交医疗和生育保险。 备注:工厂给所有员工购买了商业意外险，有效期从2024年3月1日至2025年2月28日。</p>	
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	<p>The factory should purchase social insurance for all workers according to the law.工厂应按法规要求给所有员工缴纳社保。</p>	

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. The factory provided attendance records from 1 June, 2023 to the audit date for review.
- 2. The working time of workers were recorded by fingerprint & face scan machine.
- 3. According to time records and worker interview, the normal working hour were 8 hours per day and 40 hours per week. One shift was available for all workers (i.e. 08:00-12:00; 13:30-17:30, OT was 18:30-20:30 if need).
- 4. Based on attendance records provided by factory from 1 June, 2023 to the audit date, the workers' monthly overtime hours exceed local legal requirement. The max daily OT was 2.0 hours and the max monthly OT was 82 hours (Happened in Dec, 2023).
- 5. Through employees' interview, overtime was voluntary.

Evidence examined:

Details:

- 1. Factory policy on working hours
- 2. Local and national laws
- 3. Workers contracts
- 4. Sample pay slips with recorded hours all interviewed workers
- 5. Attendance records from 1 June, 2023 to the audit date
- 6. Quality and production records to cross check working hours
- 7. Interview with workers and management

Any other comments:

Nil

Working hours' analysis

Systems & Processes

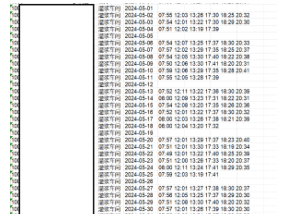
What timekeeping systems are used? Fingerprint & face scan machine.

Is sample size same as in wages section? Yes 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please complete as appropriate:	<input type="checkbox"/> 0 hours <input checked="" type="checkbox"/> Part time <input type="checkbox"/> Variable hours <input type="checkbox"/> Other
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day / 18 hours per week/ 72 hours per month in Sept, 2023, 2 hours per day / 18 hours per week/ 82 hours per month in Dec, 2023. 2 hours per day / 18 hours per week/ 76 hours per month in May, 2024.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The max weekly work time was 58 hours.
Approximate percentage of total workers on highest overtime hours:	100.0%

<p>Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p> <p>Please give details:</p> <p>Labour contracts had defined that the workers' overtime working were voluntary. Working hours' procedure also stipulated that the workers can attend the overtime working by their voluntary. In additional, 10 out of 10 randomly sample interviewed workers also confirmed that they took the overtime working by their own will.</p>
<p>Overtime premium</p>	
<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A - there is no legal requirement to OT premium</p> <p>Please give details:</p> <p>Based on the attendance records and payrolls provided by factory, 100% workers were paid for overtime wage per month by cash and 150% of normal wage were paid for overtime on workdays, 200% of normal wage were paid for overtime on rest day and 300% of normal wage were paid for overtime on holidays.</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>100% workers per month</p>
<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input checked="" type="checkbox"/> Other</p>
<p>Please give details</p>	<p>The factory paid at least 150% OT premium for all workers if overtime worked on weekdays.</p>
<p>If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<p><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</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>Nil, the maximum weekly hours were 58 hours.</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

Non-Compliance	Evidence
[Back to findings summary]	
Non-Compliance	
Status	OPEN
Reference	ZAF600558598
Clause	6 - Working Hours are not Excessive
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive
Subcategory	Overtime
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other
Root cause - Other	
Local law issue	<p>PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p>
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	<p>Based on attendance records from 1 June, 2023 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours in most months except in Feb, 2024. Three sampled months e. g. Sept, 2023 (random month), Dec, 2023 (random month) and May, 2024 (current paid month) were randomly selected, and it was found that 10 out of 10 workers' monthly overtime hours had exceeded 36hours, and up to 72hours, 82hours and 76hours in Sept, 2023, Dec, 2023 and May, 2024 respectively.</p> <p>根据工厂提供的2023年6月1日至审核当日的考勤记录，发现员工在2023年6月至审核当日的大部分月份(除了2024年2月)的月加班时间均超出36小时。随机抽样的三个月，即:2023年9月(随机月)，2023年12月(随机月)和2024年5月(当前月)，显示10名抽样员工在2023年9月，2023年12月，2024年5月的月加班超出36小时，分别达到72小时，82小时和76小时。</p>
Follow up	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
	 <p><u>The worker's monthly OT exceeded 36hours..png</u></p>

method		
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	<p>The factory should reduce the overtime to ensure the monthly overtime hours within 36 hours per month. 工厂应该减少加班确保月加班工时在36小时以内。</p>	

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. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement.
3. There was no evidence of sexual harassment.

Evidence examined:

Details:

- 1.The hiring and termination procedure
- 2.Leave application records and employee handbook
- 3.Labour contract
- 4.Termination records
- 5.Attendance and payroll records
- 6.Training records
7. Worker interview and management interview

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%	Female: 50.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0	
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 checked="" type="checkbox"/> No evidence of discrimination found
Please give details	Based on worker interview and onsite observation, no negative evidences were identified.	
Professional Development		
What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.	

Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)

Yes 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. 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 by the auditor.
2. All interviewed workers had received a signed labour contract.
3. All sampled workers' personal files were provided for review.

Evidence examined:

Details:

1. The hiring and termination procedure
2. Personal files
3. Payroll records were provided for review
4. Labour contracts
5. Worker interview and management interview

Any other comments:

Nil

Responsible Recruitment

All Workers

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

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

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

- Yes No

Migrant Workers

Type of work undertaken by migrant workers:	Migrant workers were in production
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 such deductions was found
Is there any observation on this finding?	Nil
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 One migrant worker was engaged in work of management.
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	No agencies were 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: No agencies were 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: No agencies were 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: No contractors were used on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.

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:

It was verified through document review, factory tour, management interview and employee interview that no subcontracting or homeworking was used by the factory. All processes were finished within the factory.

Evidence examined:

Details:

1. Production records
2. Factory tour
3. Management interview and worker interview.

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

<p>Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>
<p>Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Based on document review, management and worker interview, all workers in the factory were Chinese. Most workers were local, and two employees were migrant workers which came from Jiangxi provinces. All workers had the proper legal rights to work in this region. The youngest worker in the factory was 35 years old. All of them were recruited directly by the factory and no agency was involved in the factory's recruitment processes.
2. Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
3. No agency staff or foreign worker was used by the factory.
4. The factory collected related laws on entitlement to work and immigration.

Evidence examined:

Details:

1. Hiring procedure
2. Personnel files and labour contracts
3. Employee handbook
4. Employee roster
5. Worker interview and management interview

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 had established written procedure for environment management and appointed Mr. Li Shibiao / Factory Director as responsible person.
2. Environment policy and risk assessment had been conducted for environment.
3. The factory had required its suppliers to commit to be compliant with local law regarding environment issues.
4. Waste water, waste air and boundary noise was monitored regularly and reports were provided for review.
5. Hazardous waste was collected and transferred to a qualified vendor, and transferred records were provided for review.
6. No administrative penalty related to environmental issues within latest 3 years was identified during this audit.
7. The factory learned their end client's environmental standards/code requirements and established policy to accord their environmental requirements.
8. The factory provided EIA, EIA approval, environmental facilities inspection and acceptance approval and fixed pollution source discharge registration for review.
9. The factory had made statistic and analysis for the use and discharge of natural resources e.g. water use and electricity use.

Evidence examined:

Details:

1. Environment management manual
2. Environment management documents
3. Monitoring report for waste water, waste air and boundary noise
4. Hazardous waste transferred records
5. Energy monitoring records
6. EIA, EIA approval, environmental facilities inspection and acceptance approval and fixed pollution source discharge registration
7. Letter of appointment

Any other comments:

Nil

Attachments



[Social Audit Photo record_ZAA600076621.pdf](#)



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