



Sedex Members Ethical Trade Audit Report

Version 6.1



| Audit Details | | | |
|---|---|---|--|
| Sedex Company Reference: <i>(only available on Sedex System)</i> | ZC: 413404349 | Sedex Site Reference: <i>(only available on Sedex System)</i> | ZS: 413532601 |
| Business name (Company name): | DONGGUAN CITY EVER GAIN STATIONERY MANUFACTURING CO., LTD | | |
| Site name: | DONGGUAN CITY EVER GAIN STATIONERY MANUFACTURING CO., LTD 东莞市丰衡文具包装制品有限公司 | | |
| Site address: <i>(Please include full address)</i> | Room 601 Building 2 NO.28 Qingtang Road FengGang Town DongGuan City GuangDong Province 广东省东莞市凤岗镇青塘路 28 号 2 栋 601 室 | Country: | China |
| Site contact and job title: | Mr. Lau Ko Wing / General Manager | | |
| Site phone: | +86-769-82557075 | Site e-mail: | sunteemign.bblau@qq.com |
| SMETA Audit Pillars: | <input checked="" type="checkbox"/> Labour Standards | <input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar) | <input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics |
| Date of Audit: | 7 January 2021 | | |

| | |
|--|---|
| Audit Company Name & Logo: Benchmarks Co., Ltd. (APSCA Audit Firm No.: 11600027)  | Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> DONGGUAN CITY EVER GAIN STATIONERY MANUFACTURING CO., LTD |
|--|---|

| 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 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Ricky Chen APSCA number: RA 21700125

Lead auditor APSCA status: In Good Standing

Team auditor: Nil APSCA number: Nil

Interviewers: Ricky Chen APSCA number: RA 21700125

Report writer: Ricky Chen (RA 21700125)

Report reviewer: Elton Chau

Date of declaration: 7 January 2021

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

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

Summary of Findings

| Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i> | Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i> | | | | Record the number of issues by line*: | | | Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i> |
|---|--|-------------------------------------|-------------------------------------|--------------------------|---------------------------------------|-----|----|---|
| | ETI Base Code | Local Law | Additional Elements | Customer Code | NC | Obs | GE | |
| 0A Universal Rights covering UNGP | | | <input type="checkbox"/> | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 0B Management systems and code implementation | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | 1 | | OB: <ul style="list-style-type: none"> SAQ had not been completed at the time of audit. |
| 1. Freely chosen Employment | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 2. Freedom of Association | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 3. Safety and Hygienic Conditions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 1 | | | NC: <ul style="list-style-type: none"> Lack of hazardous warning label for chemical. |
| 4. Child Labour | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 5. Living Wages and Benefits | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 1 | | 1 | NC: <ul style="list-style-type: none"> Insufficient social insurance participated. GE: <ul style="list-style-type: none"> Commercial accident injury insurance was provided to partial employees. |
| 6. Working Hours | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 1 | | | NC: |

| | | | | | | | | | |
|------|--|--------------------------|--------------------------|--------------------------|--------------------------|-----|-----|-----|---|
| | | | | | | | | | <ul style="list-style-type: none"> Monthly overtime hours exceeded 36 hours. |
| 7 | <u>Discrimination</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 8 | <u>Regular Employment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 8A | <u>Sub-Contracting and Homeworking</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 9 | <u>Harsh or Inhumane Treatment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 10A | <u>Entitlement to Work</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 10B2 | <u>Environment 2-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | <ul style="list-style-type: none"> None observed |
| 10B4 | <u>Environment 4-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | N/A | N/A | <ul style="list-style-type: none"> N/A |
| 10C | <u>Business Ethics</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | N/A | N/A | <ul style="list-style-type: none"> N/A |

General observations and summary of the site:

- The factory started their operation since 16 July 2010.
- The factory started their operation at current location since 2018.
- The products manufactured at this site were packing box and stationery.
- Overall responsibility for meeting the standards was taken by Adm. Supervisor, Ms. Wu Zhao Yu.
- There was a total of 34 employees on site (6 were local employees and 28 were migrant employees, all were permanent).
- There was a total of 23 production workers on site.
- Total 11 non-production employees including management staff, clerk, marketing and finance staffs, etc.
- The youngest worker on site was 21-year-old (Birthday: 6 November 1999, Enrolment date: 5 September 2019).
- There was both male and female in management staffs and among supervisors. The distribution was Male 50%, Female 50%.
- There was a worker committee in the factory, and 3 worker representatives were chosen by worker themselves.
- There was no obvious peak month of the site.
- No sub-contractor or home worker was used by the factory.
- 10 workers were selected for interview including 5 male and 5 female employees.

- They were interviewed as 1 group of 4 workers, and the rest 6 workers were interviewed individually.
- All workers said they were satisfied with their employment at the factory.
- They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen their suggestions used.
- 10 records to show wages were taken for 3 months from December 2019 to November 2020.
- 10 records to show working hours were taken for 3 months from 1 December 2019 to 6 January 2021.
- Wages for workers were calculated on hourly rated basis and paid around 30th of each month by cash.
- The local minimum wage was RMB1720 (i.e. RMB 8.98 per hour).
- The overtime wages were paid at 150%, 200%, and 300% of workers' normal wage rate as legally required.
- Maximum overtime hours in all samples were respectively:
 - 62 hours/month in March 2019 (Random month)
 - 68 hours/month in August 2020 (Random month)
 - 62 hours/month in November 2020 (Current month).

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

Site Details

| Site Details | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|------------|-------------|----------------|---------------|--|--|---------|-----------------|---|---------|------------------|--|---------|-------------------|---|---------|-------------------|--|---------|-----------------|--------------------------|
| A: Company Name: | DONGGUAN CITY EVER GAIN STATIONERY MANUFACTURING CO., LTD | | | | | | | | | | | | | | | | | | | | | | |
| B: Site name: | DONGGUAN CITY EVER GAIN STATIONERY MANUFACTURING CO., LTD 东莞市丰衡文具包装制品有限公司 | | | | | | | | | | | | | | | | | | | | | | |
| C: GPS location: (If available) | GPS Address: | Latitude: 22.721657 Longitude: 114.176811 | | | | | | | | | | | | | | | | | | | | | |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | Unified social credit code: 91441900559141437W Valid date from 16 July 2010 to long term. | | | | | | | | | | | | | | | | | | | | | | |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc | Packing box and stationery | | | | | | | | | | | | | | | | | | | | | | |
| F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings) | <p>DONGGUAN CITY EVER GAIN STATIONERY MANUFACTURING CO., LTD was located at Room 601 Building 2 NO.28 Qingtang Road FengGang Town DongGuan City GuangDong Province.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Building no 2</td> <td></td> <td></td> </tr> <tr> <td>Floor 1</td> <td>Another factory</td> <td>Used by Dongguan Wenwu Hardware Plastic Products Co., Ltd</td> </tr> <tr> <td>Floor 2</td> <td>Under decoration</td> <td></td> </tr> <tr> <td>Floor 3</td> <td>Another factories</td> <td>Dongguan Kangzhao Electrical Appliance Science & Technology Co., Ltd, Dongguan Ruixin Technology Co., Ltd</td> </tr> <tr> <td>Floor 4</td> <td>Another factories</td> <td>Mizhu Trading Co., Ltd, Jiexiang Optical & Electrical Co., Ltd</td> </tr> <tr> <td>Floor 5</td> <td>Another factory</td> <td>Used by Dongguan Jianlai</td> </tr> </tbody> </table> | | Production | Description | Remark, if any | Building no 2 | | | Floor 1 | Another factory | Used by Dongguan Wenwu Hardware Plastic Products Co., Ltd | Floor 2 | Under decoration | | Floor 3 | Another factories | Dongguan Kangzhao Electrical Appliance Science & Technology Co., Ltd, Dongguan Ruixin Technology Co., Ltd | Floor 4 | Another factories | Mizhu Trading Co., Ltd, Jiexiang Optical & Electrical Co., Ltd | Floor 5 | Another factory | Used by Dongguan Jianlai |
| Production | Description | Remark, if any | | | | | | | | | | | | | | | | | | | | | |
| Building no 2 | | | | | | | | | | | | | | | | | | | | | | | |
| Floor 1 | Another factory | Used by Dongguan Wenwu Hardware Plastic Products Co., Ltd | | | | | | | | | | | | | | | | | | | | | |
| Floor 2 | Under decoration | | | | | | | | | | | | | | | | | | | | | | |
| Floor 3 | Another factories | Dongguan Kangzhao Electrical Appliance Science & Technology Co., Ltd, Dongguan Ruixin Technology Co., Ltd | | | | | | | | | | | | | | | | | | | | | |
| Floor 4 | Another factories | Mizhu Trading Co., Ltd, Jiexiang Optical & Electrical Co., Ltd | | | | | | | | | | | | | | | | | | | | | |
| Floor 5 | Another factory | Used by Dongguan Jianlai | | | | | | | | | | | | | | | | | | | | | |

| | | |
|--|---|---|
| | | Hardware Technology Co., Ltd |
| | Floor 6 | Office, Cutting, Slotting, Die-cutting, Packing |
| | Is this a shared building? | Yes |
| <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: The building as in good condition.</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: The factory provided the Building Structure Completion Acceptance for review.</p> | | |
| G: Site function: | <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor | |
| H: Month(s) of peak season: (if applicable) | No obvious peak season and non-peak season | |
| I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used) | <p>The products manufactured at this site were packing box and stationery.</p> <p>The products process is Cutting, Slotting, Die-cutting, Packing.</p> <p>The main machine included: cutting 2 sets, slotting 2 sets, stamping 8 sets, die-cutting 3 sets and packing 8 sets.</p> | |
| J: What form of worker representation / union is there on site? | <input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None | |
| K: Is there any night production work at the site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| L: Are there any on site provided worker accommodation buildings e.g. dormitories | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation | |

| | |
|---|--|
| | |
| <p>M: Are there any off site provided worker accommodation buildings</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers</p> |
| <p>N: Were all site-provided accommodation buildings included in this audit</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No N/A No dormitory was provided. N1: If no, please give details</p> |

| Audit Parameters | | | |
|--|--|---|---|
| A: Time in and time out | A1: Day 1 Time in: 9:30 A2: Day 1 Time out: 17:30 | A3: Day 2 Time in: n/a A4: Day 2 Time out: n/a | A5: Day 3 Time in: n/a A6: Day 3 Time out: n/a |
| B: Number of auditor days used: | 1.0 MD (One auditor in 1 day) | | |
| C: Audit type: | <input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define: | | |
| D: Was the audit announced? | <input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced | | |
| E: Was the Sedex SAQ available for review? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not SAQ had not been completed at the time of audit. | | |
| F: Any conflicting information SAQ/Pre-Audit Info to Audit findings? | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A If Yes , please capture detail in appropriate audit by clause | | |
| G: Who signed and agreed CAPR (Name and job title) | Ms. Wu Zhao Yu / Adm. Supervisor | | |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| I: Previous audit date: | N/A | | |
| J: Previous audit type: | N/A | | |
| K: Were any previous audits reviewed for this audit | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | | |

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

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

Worker Analysis

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

| Worker Analysis | | | | | | | | |
|--|-----------|-----------|--------|-----------|-----------|--------|--------------|-------|
| | Local | | | Migrant* | | | Home workers | Total |
| | Permanent | Temporary | Agency | Permanent | Temporary | Agency | | |
| Worker numbers – Male | 2 | 0 | 0 | 5 | 0 | 0 | 0 | 7 |
| Worker numbers – female | 3 | 0 | 0 | 13 | 0 | 0 | 0 | 16 |
| Total | 5 | 0 | 0 | 18 | 0 | 0 | 0 | 23 |
| Number of Workers interviewed – male | 1 | 0 | 0 | 4 | 0 | 0 | 0 | 5 |
| Number of Workers interviewed – female | 1 | 0 | 0 | 4 | 0 | 0 | 0 | 5 |
| Total – interviewed sample size | 2 | 0 | 0 | 8 | 0 | 0 | 0 | 10 |



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



| Worker Interview Summary | |
|--|--|
| A: Were workers aware of the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| B: Were workers aware of the code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i> | 1 group of 4 workers |
| D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i> | D1: Male: 2 D2: Female: 4 |
| E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details |
| F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| G: In general, what was the attitude of the workers towards their workplace? | <input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent |
| H: What was the most common worker complaint? | All workers interviewed had a positive attitude to the management and the site. |
| I: What did the workers like the most about working at this site? | Working environment and colleagues' relationship. |
| J: Any additional comment(s) regarding interviews: | Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general. |
| K: Attitude of workers to hours worked: | All interviewees stated that they had the choice to decide whether worked OT or not as per their voluntary principle. |
| L. Is there any worker survey information available? | |
| <input type="checkbox"/> Yes | |

No

L1: If yes, please give details:

M: Attitude of workers:

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

10 workers were selected for the interview. All the interviewees were favourable with the management and working condition, and no negative information was raised.

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

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

The worker representative was satisfied with all management and work condition, and she was well cooperated with the interview process.

O: Attitude of managers:

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

The factory manager was found to be cooperative throughout the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had published a human rights statement, and the statement was posted in workshop. The terms and conditions for employees were stated in the employee handbook and all workers were trained in the grievance procedure.
2. Overall responsibility for meeting the standards concerning human rights was taken by Adm. Supervisor, Ms. Wu Zhao Yu.
3. The factory had identified their stakeholders and salient issues.
4. The factory had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. The factory had published a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

1. Human rights statement documents
2. Measurement records of direct, indirect, and potential impacts on stakeholders (rights holders).
3. Employee handbook
4. Employee information and personnel files
5. Management interview.
6. On-site observation

Any other comments:
Nil

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

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

Good examples observed:

Description of Good Example (GE):
None observed

Objective Evidence Observed:
N/A

Measuring Workplace Impact

| Workplace Impact | | |
|--|---|---------------------------------|
| A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover) | A1: Last year: __2.7__ % | A2: This year __1__ % |
| B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2] | 1% | |
| C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year | C1: Last year: __4__ % | C2: This year __1__ % |
| D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month | 1% | |
| E: Are accidents recorded? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: No accident or injury had occurred up to the audit date. | |
| F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers] | F1: Last year: Number: Nil | F2: This year: Number: Nil |
| G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers] | Nil | |
| H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers] | H1: Last year: Nil | H2: This year: Nil |
| I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months: | I1: 6 months __0__% workers | I2: 12 months __0__% workers |

| | | |
|---|----------------------------------|-----------------------------------|
| J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months: | J1: 6 months ___0___% workers | J2: 12 months ___0___% workers |
|---|----------------------------------|-----------------------------------|

0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

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

Current systems:

1. The factory had established policies and written procedures which ensure the site meets in particular freedom of association, discrimination, child labour prohibition and general human rights standards.
2. The appointment letter of management representative for management of ETI compliance was also provided for review, Ms. Wu Zhao Yu / Adm. Supervisor was responsible for compliance with the Code.
3. Based on talking with factory management, they were familiar with local laws concerning labour standards such as wages, working hours, health and safety and so on.
4. The factory communicated the code to the workers and the relevant records were provided for review.

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

Details:

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

Any other comments:
 Nil

Management Systems:

| | |
|--|--|
| <p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No fines/prosecutions for non-compliance to any regulations was found.</p> |
| <p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory established policies and provided for review.</p> |
| <p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p> | <p>Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p> |
| <p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The training records were provided for review.</p> |
| <p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The training records were available in the factory.</p> |
| <p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details:</p> |
| <p>G: Is there a Human Resources manager/department? If Yes, please detail.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Ms. Wu Zhao Yu</p> |
| <p>H: Is there a senior person / manager responsible for implementation of the code</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Wu Zhao Yu</p> |
| <p>I: Is there a policy to ensure all worker information is confidential?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Policy on the confidentiality of an individual's personal information was set up by factory. All employee information and personnel files were kept locked away in the office and only viewed by the factory management.</p> |
| <p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Ms. Wu Zhao Yu confirmed that all employee information and personnel files were kept locked away in the office and only viewed by the factory management.</p> |

| | |
|--|---|
| <p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had established risk assessment policy and procedure and the risks list was available for review.</p> |
| <p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory had a process to address risks found and the administration control to reduce identified risks.</p> |
| <p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Policy on the labour standards was available for review.</p> |
| <p>Land rights</p> | |
| <p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided the copy of land rights license and permission for review.</p> |
| <p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory provided the lease contract for review.</p> |
| <p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A</p> |
| <p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: N/A</p> |
| <p>R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A</p> |
| <p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No illegal appropriation of land for facility building or expansion of footprint.</p> |

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

| Observation: | |
|--|--|
| <p>Description of observation: SAQ had not been completed at the time of audit.</p> <p>Local law or ETI requirement: O.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>Comments: Lack of awareness of requirement</p> | <p>Objective evidence observed: Document review, management interview</p> |

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

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had a policy which prohibited forced labour and this was available for review.
2. The site understood the risks of forced / trafficked / bonded labour in its supply chain.
3. The factory established the written policy on prohibition of forced/ trafficked / bonded labour in its supply chain.
4. The employee handbook – given to all workers on joining, stated that employees within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation), they could resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
5. The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.
6. The managements did not prevent workers from leaving the premises outside of working hours.
7. The factory recruited the new workers directly by the advertisements, internetwork and employees' recommendation, no employment agency was used by the factory.
8. The employees weren't required to lodge any deposits during recruit.

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

Details:

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

Any other comments:

Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- Yes
 No

A1: If yes, please give details and category of workers affected:

| | |
|---|--|
| B: Is there any evidence of a loan scheme in operation | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected: |
| C: Is there any evidence of retention of wages /deposits | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: |
| D: Are there any restrictions on workers' freedom to terminate employment? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: |
| E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: |
| F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: |
| G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The site understood the risks of forced / trafficked / bonded labour in its supply chain. Related procedure was established. |
| H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Related procedure was established. Training records were provided for review. |

| Non-compliance: | |
|---|--|
| <p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement N/A</p> <p>Recommended corrective action: N/A</p> | <p>Objective evidence observed: (where relevant please add photo numbers) N/A</p> |

| Observation: | |
|---|--|
| Description of observation: None observed Local law or ETI requirement: N/A Comments: N/A | Objective evidence observed: N/A |

| Good Examples observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective evidence observed: N/A |

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The 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.
- 2. The written policy on freedom of association showed that workers, without distinction, had the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopted an open attitude towards the activities of trade unions and their organizational activities.
- 3. There was a worker committee in the factory.
- 4. The meeting between with management and worker representative was conducted regularly.
- 5. The factory had a mechanism that employees could raise their grievances directly to supervisors or put letters in suggestion box to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board.

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

Details:

- 1. The policy on freedom of association and right to collective bargaining.
- 2. Social accountability manual.
- 3. Meeting records between factory management and worker representative.
- 4. Interview with workers
- 5. Interview with worker representative
- 6. Interview with management

Any other comments:

Nil

| | | |
|--|---|---|
| <p>A: What form of worker representation/union is there on site?</p> | <input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None | |
| <p>B: Is it a legal requirement to have a union?</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| <p>C: Is it a legal requirement to have a worker's committee?</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| <p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Workers could raise their concerns through telephone, suggestion box, directly communicating with the factory management. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| <p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had provided activity place for worker representative to conduct related business. | |
| <p>F: Name of union and union representative, if applicable:</p> | <p>N/A</p> | <p>F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> |
| <p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p> | <p>Worker committee was set up including 3 worker representatives</p> | <p>G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> |
| <p>H: Are all workers aware of who their representatives are?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| <p>I: Were worker representatives freely elected?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <p>I1: Date of last election: 5 May 2020</p> |
| <p>J: Do workers know what topics can be raised with their representatives?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| <p>K: Were worker representatives/union representatives interviewed?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 | |
| <p>L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.</p> | <p>The worker committee interview confirmed that they had met with management on a regular basis. Meeting minutes were communicated to all employees via the bulletin board.</p> | |

| | | |
|--|---|--|
| M: Are any workers covered by Collective Bargaining Agreement (CBA)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| If Yes , what percentage by trade Union/worker representation | M1: __0__% workers covered by Union CBA | M2: __0__% workers covered by worker rep CBA |
| M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay? | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A | |

| Non-compliance: | |
|---|--|
| <p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p> | <p>Objective evidence observed: (where relevant please add photo numbers) N/A</p> |

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

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

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

3.1. General Health and Safety management

- Health & safety policy was established by this unit.
- Mr. Wu Bo Bin was assigned responsibility for Health & Safety for the site.
- There was a health and safety committee at the site.
- The factory conducted H&S meeting regularly.
- The health and safety training were conducted regularly.
- Potable water was provided free of charge to workers.
- Lavatory facilities were accessible and adequate in number, segregated for men and women, washbasins and water taps were available and adequate.

3.2. Fire Safety.

- There were 2 exits available for workplace.
- All evacuation aisles were clear, and its width was enough.
- Fire-fighting facilities were inspected once every month, and check records were available.
- Fire safety certificate and the Construction Completion Acceptance were provided for review.

3.3. Electrical safety

- 1 electrician was present at the site and his qualified certificate was provided for review.

3.4. Equipment safety

- Accident/injury records were provided for review. No accident or injury had occurred up to the audit date.
- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.

3.5. Chemical safety

- Hazard identification label was available for all chemicals.
- MSDS was available for all chemicals.

3.6. Medical services

- The factory had conducted internal first aid training for all employees.
- Outside first aid training for 2 first aiders.
- The first aid box in workshop was stocked with sufficient components of first aid.

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

Details:

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Government licenses
6. Fire equipment maintenance records (date of last maintenance: December 2020)
7. Fire drill and evacuation records (date of evacuation: 23 June 2020 and 24 December 2020)
8. First aider certificates (date of training: 20 July 2020)
9. Accident reports
10. Electrician certificate
11. Chemical list and MSDS for each chemical
12. Potable water testing report (date of testing: 3-10 December 2020)
13. Fire Safety Certificate (date of issue: 28 May 2014)
14. Construction Completion Acceptance Sheet (date of issue: 25 September 2013)
15. Interview with H&S manager and committee members
16. Interview with workers
17. Site tour

Any other comments:

Nil

| | |
|---|---|
| <p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had established EHS administrative manual, annual training plan including Health & Safety training for each workshop and new employees. The factory kept the training records for review.</p> |
| <p>B: Are the policies included in workers' manuals?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Per document review and worker interview, the EHS policies were included in employee manual.</p> |
| <p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No structural addition was found during the audit.</p> |

| | |
|--|--|
| <p>D: 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 D1: Please give details: Visitors were informed on H&S of the facility</p> |
| <p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: There was no medical room for this unit. The first aid box in workshop was stocked with sufficient components of first aid.</p> |
| <p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There were 2 first aiders in the facility.</p> |
| <p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A</p> |
| <p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A</p> |
| <p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Internal H&S Risk assessment records could be provided for review.</p> |
| <p>J: 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 J1: Please give details: The factory had established environmental administrative manual and obtained relevant environmental document for review.</p> |
| <p>K: 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 K1: Please give details: The factory had collected its customer requirements on environmental standards. Per document review and management interview, no banned chemical was found during the audit.</p> |

Non-compliance:

| | |
|--|---|
| <p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: No prevention of leakage of hazardous chemical.</p> <p>During factory tour, it was noted that the anti-leakage system (i.e. secondary containment) was not available for chemical stored in workplace.</p> <p>Local law and/or ETI requirement: In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.</p> <p>ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that facility should install the available safety facilities in workshop for its dangerous chemical material used.</p> | <p>Objective evidence observed: (where relevant please add photo numbers) Site tour, worker interview and management interview</p> <p>Refer to NC photo 3-1</p> |
|--|---|

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

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

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory had established the recruitment procedure on prohibiting child labour.
- 2. All employees should be only hired by the management staff of the factory.
- 3. Based on the management review, employees' ID and photo should be checked at the point of recruitment. The employee without valid ID certificate should not be hired.
- 4. Based on documents review, there was no child labour in the factory.
- 5. The youngest employee on site was 21 years old (Birthday: 6 November 1999, Enrolment date: 5 September 2019).
- 6. There was a total of 34 employees (including 23 workers & 11 non-production staffs) at the factory.

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

Details:

- 1. The recruitment policy on child labour was reviewed. It stated that the factory would never employ or use any child labour under the age of 16 years old.
- 2. Recruitment procedure.
- 3. Latest employee list.
- 4. Personnel files of all workers.
- 5. Health checks records
- 6. Interview with management and workers
- 7. Site tour

Any other comments:

Nil

| | |
|---|--|
| A: Legal age of employment: | 16 |
| B: Age of youngest worker found: | 21 |
| C: Are there children present on the work floor but not working at the time of audit? | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A |

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

| Non-compliance: | |
|--|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: N/A Recommended corrective action: N/A | Objective evidence observed: (where relevant please add photo numbers) N/A |

| Observation: | |
|---|--|
| Description of observation: None observed Local law or ETI requirement: N/A Comments: N/A | Objective evidence observed: N/A |

| Good Examples observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective Evidence Observed: N/A |

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Legal minimum wage for Dongguan City was RMB1720 per month (RMB9.89 per hour).
2. Payroll records from December 2019 to November 2020 were provided by the factory for checks.
3. The wages system was well organized and understood by all employees.
4. As per the social insurance receipt, up to audit date, there were 34 employees at the audit day, not all employees were participated in all five kinds of social insurance.
5. All workers were paid around 30th of each month by cash and each worker was given a pay slip and signed for their wages.

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

Details:

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

Any other comments:

Nil

Non-compliance:

| | |
|---|---|
| <p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Insufficient social insurance participated.</p> <p>According to the social insurance payment receipt of December 2020, there was 16 out of 26 eligible employees had participated in basic retirement insurance, unemployment insurance, disability caused by work-related injury insurance and maternity insurance, 18 out of 26 eligible employees had participated in medical insurance.</p> <p>Local law and/or ETI requirement: In accordance with Labor Law of the People's Republic of China (1994), Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.</p> <p>ETI 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>Recommended corrective action: It is recommended that the facility should ensure all employees participate in the 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.</p> | <p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> Document review, worker interview and management interview.</p> |
|---|---|

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

Good Examples observed:

Description of Good Example (GE):

Commercial accident injury insurance was provided to 27 employees. The factory had provided the commercial accident injury insurances to 27 employees. (Policy No.: 1209204490010563, Valid Period: 5 March 2020 – 4 March 2021).

Objective Evidence Observed:

Document review, management interview

Summary Information

| Criteria | Local Law <i>(Please state legal requirement)</i> | Actual at the Site <i>(Record site results against the law)</i> | Is this part of a Collective Bargaining Agreement? |
|--|---|---|---|
| A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i> | Legal minimum: 8 hours per day and 40 hours per week | A1: 8 hours per day and 40 hours per week | A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i> | Legal maximum: 3 hours per day, 36 hours per month | B1: Maximum 2 overtime hours on normal workday, 16 overtime hours per week, 68 overtime hours. | B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i> | Legal minimum: RMB1720 per month (RMB9.89 per hour) | C1: RMB1720 per month (RMB9.89 per hour) | C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i> | Legal minimum: 150% of normal wage for overtime on workdays. 200% of normal wage for overtime on rest days. 300% of normal wage for overtime on holidays. | D1: Overtime hours on normal working days were paid according to 150% of the normal wages. Overtime hours on rest days were paid according to 200% of the normal wages. (Remark: no overtime on | D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| | | | |
|--|--|--|--|
| | | <p>statutory holidays was found during the audit. However, as per factory policy and interview, the overtime hours on statutory holidays would be paid according to 300% of the normal wages</p> | |
|--|--|--|--|

| Wages analysis: (Click here to return to Key Information) | |
|---|---|
| A: Were accurate records shown at the first request? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| A1: If No , why not? | N/A |
| B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i> | 10 samples in December 2019 (Random month), 10 samples in August 2020 (Random month), 10 samples in November 2020 (Current month). |
| C: Are there different legal minimum wage grades? If Yes , please specify all. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: If there are different legal minimum grades, are all workers graded and paid correctly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? | <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above |
| F: Please indicate the breakdown of workforce per earnings: | E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 9.89/hour RMB 395.6/week (9.89 x 40) RMB 1720/month (9.89 x 21.75 x 8) |
| G: Bonus Scheme found: | F1: ____% of workforce earning under minimum wage F2: __100__% of workforce earning minimum wage F3: ____% of workforce earning above minimum wage Bonus Scheme found: Full attendance: RMB 150 per month. |

| | | | |
|--|--|---|---|
| Please specify details: | <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> | | |
| H: What deductions are required by law e.g. social insurance? Please state all types: | Wage tax, Individual parts of social insurance | | |
| I: Have these deductions been made? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | I1: Please list all deductions that have been made. | 1. Wage tax 2. Individual parts of social insurance Please describe: Verified through document review, worker interview and management interview. |
| | | I2: Please list all deductions that have not been made. | 1. Nil 2. Nil Please describe: Nil |
| J: Were appropriate records available to verify hours of work and wages? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| K: Were any inconsistencies found? (if yes describe nature) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence: | |
| L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Per document review and worker interview, it was confirmed that equal rates were being paid for equal work. | | |
| M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A M1: Please specify amount/time: | | |
| M2: If yes, what was the calculation method used. | <input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A | | |

| | |
|--|---|
| <p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: There was an annual review when local wage rates were examined.</p> |
| <p>O: 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>P: Is there evidence that equal rates are being paid for equal work:</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Per document review and worker interview, it was confirmed that equal rates were being paid for equal work.</p> |
| <p>Q: How are workers paid:</p> | <p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p> |

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All workers using fingerprint scanning device to record their working hours.
2. The factory provided hours records from 1 December 2019 to 6 January 2021.
3. The factory provided wages records from December 2019 to November 2020.
4. The working hour policy, labour contracts and etc. indicated that the regular working hours in the factory was 8 hours per day and 5 days per week.
5. Based on factory rule and workers interview, employees worked for 5 normal days a week.
6. The normal working hours of workshop was from 8:00 to 17:30 with 1.5 hours for lunch break from 11:45 to 13:15. Overtime started from 18:15 to 20:15.
7. All the employees in worker interview stated that they worked overtime on voluntary basis.
8. No collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce.
9. Total monthly overtime was above 36 hours per month (max in sample 68 hours/month).

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

Details:

1. Factory policy on working hours
2. Local and national laws
3. Labour contracts
4. Attendance records
5. Production and quality records to cross check hours
6. Management interview and worker interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Monthly overtime hours exceeded 36 hours.

During document review, it was noted that sampled employees worked in excess of the legal limits. The maximum monthly overtime hours was 68 in August 2020.

Local law and/or ETI requirement:

In with Labor Law of the People's Republic of China (1994) Article 41, The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

ETI 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.

Recommended corrective action:

It is recommended that the facility should ensure the overtime of workers be in accordance with the legal requirements.

Objective evidence observed:

(where relevant please add photo numbers)
Document review and management interview

Observation:

Description of observation:

None observed

Objective evidence observed:

N/A

| | |
|--|--|
| Local law or ETI requirement: N/A Comments: N/A | |
|--|--|

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None observed | Objective Evidence Observed: N/A |

| Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information) | | | | | |
|--|---|---------------------------------------|------------------------------------|---------------------------------------|--------------------------------|
| Systems & Processes | | | | | |
| A. What timekeeping systems are used: time card etc. | Describe: <i>Fingerprint scanning device</i> | | | | |
| B: Is sample size same as in wages section? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details | | | | |
| C: Are standard/contracted working hours defined in all contracts/employment agreements? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: <i>N/A</i> | | | | |
| D: Are there any other types of contracts/employment agreements used? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If YES, please complete as appropriate: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> 0 hrs</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> Part time</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> Variable hrs</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/> Other</td> </tr> </table> If "Other", Please define: <i>N/A</i> | <input type="checkbox"/> 0 hrs | <input type="checkbox"/> Part time | <input type="checkbox"/> Variable hrs | <input type="checkbox"/> Other |
| <input type="checkbox"/> 0 hrs | <input type="checkbox"/> Part time | <input type="checkbox"/> Variable hrs | <input type="checkbox"/> Other | | |
| E. Do any standard/contracted working hours defined in contracts/employment | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: <i>N/A</i> | | | | |

| | | |
|---|--|---|
| agreements exceed 48 hours per week? | | |
| F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period? | F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: | F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| | Maximum number of days worked without a day off (in sample): | |
| | 6 | |
| Standard/Contracted Hours worked | | |
| G: Were standard working hours over 48 hours per week found? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | G1: If yes, % of workers & frequency: |
| | | N/A |
| H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | H1: If yes, please give details: |
| | | N/A |
| Overtime Hours worked | | |
| I: Actual overtime hours worked in sample (State per day/week/month) | Highest OT hours: Maximum 2 overtime hours on normal workday, 16 overtime hours per week, 62 overtime hours in December 2019. Maximum 2 overtime hours on normal workday, 16 overtime hours per week, 68 overtime hours in August 2020. Maximum 2 overtime hours on normal workday, 16 overtime hours per week, 62 overtime hours in November 2020. | |
| J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The maximum weekly working hours was 56 hours. | |
| K: Approximate percentage of total workers on highest overtime hours: | ___100___% | |

| | | |
|---|---|---|
| <p>L: Is overtime voluntary?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information | <p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Per document review, worker interview and management interview.</p> |
| <p>Overtime Premiums</p> | | |
| <p>M: Are the correct legal overtime premiums paid?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium | <p>M1: Please give details of normal day overtime premium as a % of standard wages: Overtime hours on normal working days and rest days were compensated by 150% and 200% respectively of normal wage standard. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays would be paid by 300% of normal wage)</p> |
| <p>N: Is overtime paid at a premium?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <p>N1: If yes, please describe % of workers & frequency: Per document review and worker interview, 100% of workers were monthly paid by this unit.</p> |
| <p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p> | <input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A | <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> |
| | <p>N/A</p> | |
| | <p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p> | <input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) |
| <p>N/A. The maximum weekly working hours was 56 hours.</p> | | |
| <p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or</p> | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details: Overtime hours were used for extended periods to make up for labour shortages and increased order volumes. |

| | |
|---|--|
| increased order volumes? | |
| R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The Anti-discrimination policy and social accountability manual had been established by the factory.
2. Ms. Wu Zhao Yu / Adm. SUPERVISOR was responsible for the management of this item of the code.
3. The factory provided the same pay to male/female employees, if they engaged in the same work.
4. All interviewees stated they were equally treated despite of their native place, sex, age and so on. And they did not experience and never heard of reporting issues of discrimination.
5. There was no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
6. No worker was required to do the examination of the hepatitis B virus and HIV.
7. There was no evidence of sexual harassment identified during this audit.

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

Details:

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

Any other comments:

Nil

| | |
|--|---|
| A: Gender breakdown of Management + Supervisors (Include as one combined group) | A1: Male: <u>50</u> % A2: Female <u>50</u> % |
| B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst: | Nil |

| | |
|---|---|
| <p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p> | <p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details:</p> |
|---|---|

| Professional Development | |
|--|--|
| <p>A: What type of training and development are available for workers?</p> | <p>Per worker interview, it was noted that new employee orientation training, job training, safety training, were available for all workers.</p> |

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

| Non-compliance: | |
|---|---|
| <p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p> | <p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A</p> |

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

| | |
|-------------------------|--|
| Comments: N/A | |
|-------------------------|--|

| Good Examples observed: | |
|--|--|
| Description of Good Example (GE): None observed | Objective Evidence Observed: N/A |

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Work performed was on the basis of recognized employment relationship established through national law and practice.
2. The factory signed labour contracts with employees within 30 days after employment.
3. The factory had established a process to assess all labour recruiters or ethical requirements.
4. The factory had established a management system to identify and monitor the hiring, and the factory should implement system to enable adequate control over agencies with regards the above points and related legislation.
5. All employees were hired directly without employment agencies.
6. Per document review and worker interview, no recruitment fee was paid by workers at any recruitment process.
7. Workers confirmed all terms of employment contract and signed by workers, and they retained one copy of employment contract themselves.

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

Details:

- 1 Recruitment policy, hiring and termination practices
- 2 Personal files and labour contracts
- 3 Payroll records were provided for review
- 4 Interview with management and workers

Any other comments:
Nil

| Non-compliance: | |
|---|---|
| <p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p> | <p>Objective evidence observed: (where relevant please add photo numbers) N/A</p> |

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

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

Responsible Recruitment

| All Workers | |
|--|---|
| <p>A: Were all workers presented with terms of employment at the time of recruitment, did they</p> | <p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> |

| | |
|--|---|
| understand them and are they same as current conditions? | A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: |
| B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected: |
| C: If yes, check all that apply: | <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – N/A C1: If other, please give details: |
| D: If any checked, give details: | N/A |

| | |
|--|--|
| Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i> | |
| A: Type of work undertaken by migrant workers: | Cutting, Slotting, Die-cutting, Packing |
| B: Please give details about recruitment agencies for migrant workers: | B1: Total number of (in country recruitment agencies) used: Nil B2: Total number of (outside of local country) recruitment agencies used: Nil |
| C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker? | <input type="checkbox"/> Yes <input type="checkbox"/> No N/A C1: Please describe finding: |
| | C2: Observations: |

| | | |
|---|--|---|
| | | |
| <p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <p>D1: If yes, number and example of roles: 6, marketing, finance, etc.</p> |

NON-EMPLOYEE WORKERS

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

| Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i> | |
|---|-----------------------------|
| A: Number of agencies used (average): | A1: Names if available: N/A |

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

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. There was no homeworkeer found during this audit.
2. There was no sub-contracting found during this audit.
3. If the client's products need subcontractor, the factory would inform the client. Therefore, no apparent concern was detected regarding this section.

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

1. List of approval suppliers
2. Production records
3. Interview with management and workers
4. Site tour

Details:

Nil

Non-compliance:

| | |
|--|--|
| <p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI /Additional Elements requirement: N/A</p> <p>Recommended corrective action: N/A</p> | <p>Objective evidence observed: (where relevant please add photo numbers) N/A</p> |
|--|--|

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

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

| Summary of sub-contracting – if applicable | |
|---|---|
| <input checked="" type="checkbox"/> Not Applicable please x | |
| <p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:</p> |
| <p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p> | <p><input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details:</p> |
| <p>C: Number of sub-contractors/agents used:</p> | |

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

| |
|--|
| Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x |
|--|

| | | | |
|---|---|-------------|--|
| A: If homeworking is being used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details: | | |
| B: Number of homeworkers | B1: Male: | B2: Female: | Total: |
| C: Are homeworkers employed direct or through agents? | <input type="checkbox"/> Directly <input type="checkbox"/> Through Agents | | C1: If through agents, number of agents: |
| D: Is there a site policy on homeworking? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| E: How does the site ensure worker hours and pay meet local laws for homeworkers? | | | |
| F: What processes are carried out by homeworkers? | | | |
| G: Do any contracts exist for homeworkers? | <input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: | | |
| H: Are full records of homeworkers available at the site? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

| | |
|---|---|
| <p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Workers could report to the local labour force bureau if violations happened.</p> |
| <p>B: If Yes, are workers aware of these channels and have access? Please give details.</p> | <p>Per worker interview, they were aware of the channel and they could report violations to the local labour force bureau freely.</p> |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p> | <p>As observed, suggestion box was set in the facility. Workers could report any grievance (harassment, bullying, discrimination etc.) and any received complaint would be handled by managers, without any reprisal for the worker in question.</p> |
| <p>D: Which of the following groups is there a grievance mechanism in place for?</p> | <p><input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: There was a grievance mechanism in place for above groups.</p> |
| <p>E: Are there any open disputes?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p> |
| <p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p> |
| <p>G: Is there a published and transparent disciplinary procedure?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p> |

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

Current Systems and Evidence Examined

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

Current systems:

1. There was a policy on no harsh or inhumane treatment.
2. According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination.
3. The factory had developed a training program for all employees. Worker interview confirmed that workers were aware of the disciplinary procedure.
4. There was an internal process for grievance, there was a suggestion box set in the facility. Workers could report any grievance (harassment, bullying, discrimination etc.) and any received complaint would be handled by managers, without any reprisal for the worker in question.
5. Neither agency staff nor foreign worker was found during this audit.

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

Details:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation.
3. Disciplinary action records
4. Meeting minutes between management and worker representative (date 24 December 2020)
5. Training records
6. Interview with management and workers

Any other comments:

Nil

Non-compliance:

| | |
|---|--|
| <p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p> | <p>Objective evidence observed: (where relevant please add photo numbers) N/A</p> |
|---|--|

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

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

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

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

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:

(where relevant please add photo numbers)

N/A

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

| Good examples observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective Evidence Observed: N/A |

10. Other issue areas 10B2: Environment 2–Pillar
[\(Click here to return to summary of findings\)](#)
To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.
 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. *Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.*

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

Current systems:

1. The factory had written environmental policy and procedure.
2. Ms. Wu Zhao Yu was responsible for the environment management system in the facility.
3. The facility aware of and comply with their end clients' environmental requirement.
4. Based on employees' interview, they were trained on environmental protection. The factory had provided environment training for relative management and workers per year and kept relative training records.
5. Annual testing report was provided for check.

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

1. Environment policy & procedure.
2. Energy bills and water bills.

- 3. Testing report date 13 January 2020
- 4. Interview with management and workers
- 5. Site tour

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law
None observed

Local law and/or ETI/Additional Elements requirement:

N/A

Recommended corrective action:

N/A

Objective evidence observed:
(where relevant please add photo numbers)
N/A

Observation:

Description of observation:

None observed

Local law or ETI/additional elements requirement:

N/A

Comments:

N/A

Objective evidence observed:
N/A

Good examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:
N/A

Other findings

| Other Findings Outside the Scope of the Code |
|---|
| Nil |

| Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i> |
|--|
| No community benefits provided by the factory. |

Appendix 1

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

Not Applicable please x

Photo Form

Non-compliance Photo

| | | |
|--|------------|------------|
| | <p>Nil</p> | <p>Nil</p> |
| <p>NC photo 3-1: No prevention of leakage of hazardous chemical.</p> | <p>Nil</p> | <p>Nil</p> |

General Photo

| | | |
|----------------------------|--------------------|----------------|
| | | |
| <p>Production building</p> | <p>Signboard</p> | <p>Cutting</p> |
| | | |
| <p>Slotting</p> | <p>Die cutting</p> | <p>Packing</p> |

| | | |
|---|--|---|
|  |  |  |
| <p>Inspection</p> | <p>Fire alarm & fire hydrant</p> | <p>Fire extinguishers</p> |
|  |  |  |
| <p>Evacuation plan</p> | <p>Toilet</p> | <p>First aid box</p> |
|  |  |  |
| <p>Suggestion box</p> | <p>Drinking water</p> | <p>Attendance recorder</p> |



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

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

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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

[Click here for Auditors:](#)

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