



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: 419094779	Sedex Site Reference: (only available on Sedex System)	ZS: 419165499
Business name (Company name):	Guangzhou Ariel Biotech Co., Ltd. 广州蔼瑞生物科技有限公司		
Site name:	Guangzhou Ariel Biotech Co., Ltd. 广州蔼瑞生物科技有限公司		
Site address: (Please include full address)	Room 501, Building 4, 12 Ruifa Road, Huangpu District, Guangzhou City, Guangdong Province, China 中国广东省广州市黄埔 区瑞发路 12 号 4 栋 501 房	Country:	China
Site contact and job title:	Mr. Andy Zhao / Manager		
Site phone:	86-20-31604051	Site e-mail:	andy.zhao@arielbiotech.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:	6 May 2022		

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Guangzhou Ariel Biotech Co., Ltd.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): There was lunch break in the facility.

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

Lead auditor: Coco Zhou

APSCA number: CSCA 21700361

Lead auditor APSCA status: CSCA

Team auditor: None

APSCA number: N/A

Interviewers: Coco Zhou

APSCA number: CSCA 21700361

Report writer: Coco Zhou

Report reviewer: Sundry Cen

Date of declaration: 6 May 2022

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

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

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		1	0	OB: 1. The facility did not identify their stakeholders and salient issues, measure human rights impact on stakeholders or take remediation.
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1	0	OB: The facility had not completed the SAQ and made it available to the auditor.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	5	0	0	NC: 1. Safety facilities for hazardous chemicals were not compliant with legal requirement. 2. No safety label for hazardous chemical. 3. MSDS was not available for hazardous chemicals. 4. Lack of evacuation signs. 5. No training records / certificate of safety production knowledge and management skill for the principal in charge in the facility.

4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	NC: 1. Delay payment for resigned employees. 2. Insufficient payment for annual leave.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	NC: 1. Insufficient overtime wages for employees.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None-observed.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None-observed.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A, this was a 2-pillar audit
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	N/A, this was a 2-pillar audit

General observations and summary of the site:

Site Summary

- Overall responsibility for meeting the standards was taken by Mr. Andy Zhao/Manager.
- The products manufactured at this site were skin care products. The main production processes were listed as follows:
Emulsification, Filling and Packing
- The peak season in this facility was not obvious.

- There were 18 employees in the facility. 8 employees were domestic migrant employees from Henan, Hunan, Jilin, Jiangxi, Sichuan and Guangxi in China, no foreign migrant employees.
- The youngest employee on site was 22 years old.
- There was no union was in the facility. Employee committee was established in the facility.
- 10 employees were randomly selected for interview including 6 male employees and 4 female employees; they were interviewed as 4 employees in 1 group and the balance of 6 employees were interviewed individually.
- Payroll records from April 2021 to March 2022 and attendance records from 1 April 2021 to 6 May 2022 were provided for review. Randomly sampled 10 employees' payrolls and attendance records from March 2022 (current month), January 2022 (random month) and December 2021 (random month) respectively for further checking on status of wages and working hours.
- The normal working hour were 8 hours per day, 40 hours per week. Employees were had at least 1 day off in a week.
- Through document review, auditor found that: 1) no overtime wages were paid for employees worked on 5 October 2021. 3 October 2021 was public holiday in China, and it happened to be rest day (Sunday), but the facility did not arrange one day compensatory time off for this overlapped Sunday, and the facility did not pay 200% of normal rate as overtime wages for this extended rest day. 2) 2 out of 10 randomly selected employees worked 16 hours overtime in rest days in March 2022 and January 2022, and 1 out of 10 randomly selected employees worked 16 hours overtime in rest days in December 2021. But the facility only paid 12 hours overtime in rest days for corresponding employees in relevant months.

Additional Auditor Remark:

Facility abided by all current Federal and State regulations with respect to COVID-19. Social Distancing was enforced, masks were required, employee/visitor temperature was taken upon entrance to the facility.

**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:	Guangzhou Ariel Biotech Co., Ltd. 广州蔼瑞生物科技有限公司	
B: Site name:	Guangzhou Ariel Biotech Co., Ltd. 广州蔼瑞生物科技有限公司	
C: GPS location: (If available)	GPS Address: Room 501, Building 4, 12 Ruifa Road, Huangpu District, Guangzhou City, Guangdong Province, China	Latitude: Not provided Longitude: Not provided
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License No.: 91440300306039530D Valid date: From 27 May 2014 to 27 May 2024	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Skin care products	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Guangzhou Ariel Biotech Co., Ltd. was located at Room 501, Building 4, 12 Ruifa Road, Huangpu District, Guangzhou City, Guangdong Province, China. The total building area occupied by the facility was about 1885.3 square meters. The facility was established in 2014.</p> <p>There were 18 employees (10 females and 8 males) in the facility, including 15 non-managements and 3 managements. There were 8 local employees in the facility. Migrant employees came from Henan, Hunan, Jilin, Jiangxi, Sichuan and Guangxi in China. All employees were hired by the facility directly.</p> <p>All employees worked for 5 days a week in one shift. The normal working hour was from 8:00 to 17:30 with 1.5 hours' lunch time from 12:00 to 13:30. Facial ID attendance system was used for time keeping for employees. Every employee would scan their face when they went in and out of the facility. Employees' wage was calculated on hourly rated basis and paid monthly by cash.</p> <p>There was no obvious peak season in the facility reported by the management.</p> <p>In view of the facilities, it occupied 5/F of one 6-storey as office, production workshop and warehouse. No dormitory, kitchen or canteen was provided by the facility.</p>	

Production Building	Description	Remark, if any
Floor 1	Guangzhou Xiao Ju Ren Pioneer Park Co., Ltd.	Year of establishment: 2013
Floor 2	Guangzhou Yu Yin Intelligent Technology Co., Ltd.	Year of establishment: 2013
Floor 3	Jiangsu Hui Ju Pharmaceutical Co., Ltd.	Year of establishment: 2013
Floor 4	Guangzhou He Yi Intelligent Technology Co., Ltd.	Year of establishment: 2013
Floor 5	Office, Emulsification, Filling and Packing, Warehouse	Year of establishment: 2013
Floor 6	Canteen for the industry park	Year of establishment: 2013
Is this a shared building?	Yes	The facility only rented the 5/F of this 6-storey building.

For details, see below.

F1: Visible structural integrity issues (large cracks) observed?
☐ Yes
☒ No

F2: Please give details: During facility tour, no crack of buildings was observed.

F3: Does the site have a structural engineer evaluation?
☒ Yes
☐ No

F4: Please give details: The facility provided the report of construction completion acceptance of the buildings for review.

Remark:
1. The facility only rented the 5/F of one 6-storey building. The management claimed that they had independent business license and management system. Through document review, the business license and lease contract were provided for review. Through facility tour and employee interview, no employee co-mingle use was noted. This audit scope only covered the audited facility.
2. Through facility tour, there was no production in emulsification workshop, and only small order production in filling workshop and packing workshop. The facility management claimed that they were focus on sales in research previously. Currently, the order was small and could

	not reach the designed production capacity. They would employ more employees if the order increase.
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)	The peak month was not obvious according to the facility management.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main products manufactured at this site were skin care products.</p> <p>The main production processes were listed as follows: Emulsification, Filling and Packing</p> <p>The main machine list of the facility was as following: 2 emulsification machines, 2 filling machines, 1 packing machine, etc.</p>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input 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: N/A
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers: N/A
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A N1: If no, please give details: There was no dormitory provided for employees by the facility.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:00 A2: Day 1 Time out: 18:00	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	One man-day (one auditor in one day)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not: The facility did not fill the SAQ.		
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: N/A, The facility did not fill the SAQ.		
G: Who signed and agreed CAPR (Name and job title)	Mr. Andy Zhao / Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
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 (only complete if no worker reps present)	N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There was no union in the facility.		

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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	4	0	0	2	0	0	0	6
Worker numbers – female	4	0	0	5	0	0	0	9
Total	8	0	0	7	0	0	0	15
Number of Workers interviewed – male	4	0	0	2	0	0	0	6
Number of Workers interviewed – female	2	0	0	2	0	0	0	4
Total – interviewed sample size	6	0	0	4	0	0	0	10



A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: <u>Chinese</u></p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>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>%</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: <u>0</u>% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: <u>0</u>% salaried workers</p> <p>Payment cycle:</p> <p>D3: <u>0</u>% daily paid</p> <p>D4: <u>0</u>% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: <u>0</u>% other</p> <p>D7: If other, please give details N/A</p>	



Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (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)	4 employees in 1 group	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 3	D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details N/A	
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?	No complaint was reported by interviewees.	
I: What did the workers like the most about working at this site?	Working environment was comfortable, and the facility management was kind to them.	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	Through employees' interview, overtime was voluntary.	
L. Is there any worker survey information available?		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, please give details: The facility conducted employee satisfaction survey regularly, and no negative information was raised.		
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 employees were randomly selected for interview. They were interviewed as 1 group of 4 employees and the balance of 6 employees were interviewed individually. The employees were assured of confidentiality, and they spoke freely of their views of the facility. Through employees' interviews, it was noted that all employees were satisfied with the facility and no negative information was raised. They were able to make suggestions to the management through suggestion box, phone calls, employee representative, etc., and sometimes they had seen these suggestions used. Also, they were able to complain directly to their supervisors.

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

There was no trade union in the facility. Employee committee was established in the facility. One employee representative was interviewed. The interviewed employee representative was favourable with the management and the working conditions, and they could give suggestions on all parts of the site's practices, and the facility management would investigate their suggestions or concerns and respond to them in a timely manner.

O: Attitude of managers:

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

The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private room was arranged for employees' interview. Mr. Andy Zhao/Manager was responsible for implementing legal and code standards. The facility managements were interested in audit process and were able to discuss the found issues in open and honest manner. In the closing meeting, the management appeared receptive to the current findings and did not raise any negative feedback.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility had established a policy of social compliance which was endorsed at the highest level. The policy was communicated to all appropriate parties, including its own suppliers.
- Mr. Andy Zhao/Manager was assigned to be responsible for implementing standards concerning human rights.
- The facility had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
- The facility did not identify their stakeholders and salient issues, measure human rights impact on stakeholders or take remediation.

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

Details:

- Policy regarding human rights issues provided for review
- Appointment letters to enhance the implement of human right issues
- Training records provided for employees regarding communications and acknowledgement
- Internal audit documents
- Written social compliance agreement from Suppliers
- Management interview and employee interview

Any other comments: None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>A1: Please give details: The policy of social responsibilities expresses commitment to respect human rights including prohibition of child labour, prohibition of forced labour, no discrimination, reasonable compensation and benefits, reasonable work hours, providing safety working condition, obey national labour law, environmental law and ETI Code requirement, continue improvement, etc.</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</p> <p>Please give details: Name: Mr. Andy Zhao Job title: Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: The facility had established grievance reporting system such as suggestion box available and direct talk to management.</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</p> <p>D1: If no, please give details N/A</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</p> <p>E1: Please give details: All employees' private information such as personal identity information managed by Ms. Fang Chen, without permission, nobody can review.</p>

Findings	
<p>1.Finding: Observation <input checked="" type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: Through document review and management interview, the facility did not identify their stakeholders and salient issues, measure human rights impact on stakeholders or take remediation.</p> <p>Local law or ETI/Additional elements / customer specific requirement: Local law: No local law requirement.</p> <p>Additional elements 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.</p> <p>Comments: It was recommended that the facility should identify their stakeholders and salient issues, measure human rights impact on stakeholders or take remediation.</p>	<p>Objective evidence observed: Document review and management interview</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 10 %	A2: This year 0 %
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]	0%	
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: 1 %	C2: This year 1 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 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: According to accident management procedure, all accidents will be investigated and recorded. As per management interview, no accident happened in the last 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 0	F2: This year: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0%	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0%	H2: This year: 0%
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0 % workers	I2: 12 months 0 % workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0 % workers	J2: 12 months 0 % workers

0B: Management system and Code Implementation

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- 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:

- The facility obtained legal business license and permissions.
- Mr. Andy Zhao/Manager was responsibility for meeting the legal and ETI code requirements. He was responsible to the facility manager for ensuring the standards were met.
- The facility communicated this Code to all employees by regular trainings.
- The facility communicated this Code to suppliers by written letters.
- There was an internal audit team taking on the role for internal audit of the social standards of the facility and they reported findings to the manager.
- Implementation of any necessary changes was then given to the individual department heads after agreement with the facility management, this system was fully effective.
- The facility did not complete the SAQ and made it available to the auditor.

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

Details:

- Business license
- Certificate of land rights
- Facility policy and procedures
- Management appointment letter
- Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
- Internal audit documents
- Company Manual contains 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.
- Management interview and employee interview

Any other comments:

None

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: The facility had not received any fines/prosecutions for non-compliance to any regulations before.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had established policies and procedures to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through facility tour, document review and employees' interview, no forced labor, child labor, discrimination, harassment & abuse was observed and reported.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The facility had provided training on policies of forced labour, child labour, discrimination, harassment and abuse to all employees during orientation training and annual refresh training.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Training records were provided for review. All new employees were provided training during orientation training since they were recruited. Relevant policies were also posted in the production area.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: N/A
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Ms. Fang Chen was responsible for it.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Andy Zhao /Manager was responsible for implementation of the Code.

I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility had established policy to ensure all employees' information were confidential.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility had established an effective procedure to ensure confidential information were kept confidential. All personal files were kept and controlled by Ms. Fang Chen, without permission, nobody can review.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility conducted risk assessments annually to evaluate policy and procedure effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: According to the risk assessment report, the facility had a process to reduce identified risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had communicated the ETI Code to its own suppliers for implementation.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility had obtained all required land rights license and permission.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No O1: Please give details: N/A
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A Remark: The land in China mainland was belonged to the nation. Anybody or facility, no matter the character, could only rent the land from governmental department for a period. If

	the facility would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility had compensated the owner for the land prior to the facility being built.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: Not applicable, the facility did not have plan of land acquisition.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: There was no evidence of illegal appropriation of land for facility building.

Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: No SAQ. Through document review and management interview, it was noted that the facility had not completed the SAQ and made it available to the auditor. Local law or ETI requirement: NA Comments: It was recommended that the facility should complete the SAQ and make it available to the auditor.	Objective evidence observed: Document review and management interview

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

1: Freely Chosen Employment

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ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

- The employees were employed on a voluntary basis and free to leave the facility or resigning.
- The facility did not withhold any employees' ID cards.
- The facility did not limit the employees' freedom or lock any exit of the facility during working time.
- The facility did not require any payment for work tools, PPE, training, etc.
- There was no hint that the facility used prison labour.
- The facility had a written policy of prohibiting forced, bonded and prison labor. The policy stated that the facility did not require deposit or withhold employees' ID cards; the facility did not limit the employees' freedom; the facility prohibited forced, bonded or involuntary prison labour; and employees were free to leave their employer after reasonable notice, etc.
- The management stated that they must not prevent employees from leaving the premises outside of working hours.

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

Details:

- Personnel files and Employment contracts
- Resignation records since April 2021
- Facility rules
- Employee handbook
- Management and employee interview
- Facility tour indicated no sign of employees being forced, bonded or involuntary.

Any other comments:

None

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected: N/A
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: N/A

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: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A. There was no restriction on employees' freedom to terminate employment.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: N/A
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 facility communicated the ETI Code to all suppliers/subcontractor and monitored their performance of social compliance.
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: The facility gave training on prohibition of forced / trafficked labour to all employees and conducted internal audit annually to reduce the risk of forced / trafficked labour.

Non-compliance:

Description of non-compliance:

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

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

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

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ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the employees were free to form or join employees' organisation and enjoy the right to collective bargaining, and nobody would be treated differently if they were members of employees' organisation, etc.
- The facility had a written policy about suggestions and appeals, which stated that the employees were able to make suggestions/appeals to the management through suggestion box, phone calls, employee representative, etc.
- Employee committee was established in the facility. It was confirmed that the members of the committee had been elected by fellow employees.
- The response records for employees' suggestions and appeals were available for review.

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

Details:

- Policy of freedom of association and right to collective bargaining
- Policy about suggestions and appeals
- Response records for employees' suggestions and appeals
- Management and employee interview

Any other comments: None

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

- ☐ Union (Name)
- ☒ Worker Committee
- ☐ Other (specify)
- ☐ None

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box was in place D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility provided adequate facilities such as meeting room to allow employee representatives to conduct related business.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Suggestion box and employee committee	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	It was confirmed through employee interview.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 12 March 2022
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No It was confirmed through employee interview.	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One employee representative was interviewed during this audit.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The record of last meeting between employee committee and management was conducted on 16 March 2022 were provided for review, with the topic about comfortable working environment for employees.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. No Collective Bargaining Agreement in this facility.	

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

Non-compliance:	
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: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

3: Working Conditions are Safe and Hygienic

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ETI

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management

- Mr. Xiaoyang He was appointed as Health & Safety Management Representative for the site.
- Sufficient clean toilets segregated by gender were available at all times to employees.
- Temperature and lighting were adequate for the production processes.
- Minutes of meetings showed that there were regular meetings on H&S.
- During document review, auditor found that the facility could not provide the training records / certificate of safety production knowledge and management skill of the principal in charge for review.

2. Fire Safety

- The facility had good control to manage the emergency preparedness. They provided the fire safety equipment throughout the facility: at least 1 set of ABC type of fire extinguisher per 80 square meters had been installed in the workshops, warehouse and office. Fire alarms, smoke detector, fire sprinklers and fire hydrants were installed at the facility. The fire-fighting equipment were adequate for the nature of operations in terms of sufficient quantity, correct type and valid, and every fire-fighting equipment had been inspected monthly. Evacuation maps were posted on site. Exit signs and emergency light were installed at each safety exit. The latest fire drill was conducted on 25 March 2022.
- Through onsite observation, auditor found that no evacuation sign was installed in 3 out of 3 evacuation staircases in production building.

3. Electrical safety

- All electrical equipment was maintained in good condition.
- There was one competent electrician on site and his certificate was provided for review.

4. Chemical safety

- Eye wash station was installed on site.

- Employees were trained how to handle chemicals regularly.
- Partial chemicals were not correctly labelled and stored.
- Material Safety Data Sheet for chemicals was not posted on site.

5. Medical services

- There were adequate first aid kits, and they were well stocked.
- One first aider was in the facility.

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

Details:

- Health and safety policy and manual
- Appointment document for the Health and Safety Supervisor
- Certificate of safety production knowledge and management skill for the persons for the management of work safety in the facility
- Health and safety committee minutes
- Special appliance registration certificate and inspection report
- Accident reports
- Electrician certificate valid till 26 January 2024
- Fire equipment monthly maintenance and inspection records
- Fire drill record since April 2021
- Fire inspection records and report of construction completion acceptance
- Electrical equipment maintenance and inspection records
- Health and safety training records since April 2021
- Onsite observation
- Management and employee interview

Any other comments:

None

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The facility had established general Health & Safety and occupational Health & Safety policies and procedures and employees would be given relevant training on their entry date.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Employees' manual including facility's general Health & Safety and occupational Health & Safety policies and procedures and detailed requirements.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: N/A. No floor added was observed during audit.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	D1: Please give details: All visitors would be provided with personal protective equipment if necessary.
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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: N/A, no medical room or medical facility provided and no such legal requirement.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No doctor was available on site. There was one first aider, and sufficient first aid kits were provided.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Not applicable, no transport provided by facility
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: Not applicable. The facility did not provided dormitory for employees.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The facility had conducted H & S risk assessment annually.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility met legal obligations on environmental requirements. No wastewater or waste gas was generated during production.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No such chemical used by this facility.

Non-compliance:

1. Description of non-compliance:

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

Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that two bottles of thinner in packing workshop did not have secondary container.

Local law and/or ETI requirement

Local law:

In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall,

Objective evidence observed:

Facility tour and management interview

Please refer to NC photo 1.

<p>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, antiseptic, 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 the facility should set up the corresponding safety facilities and equipments in workshop or warehouse for hazardous chemicals as per legal requirement.</p>	
<p>2. 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 safety label for hazardous chemical. During facility tour, auditor found that there was no safety label for one bottle of thinner used in packing workshop.</p> <p>Local law and/or ETI requirement Local law: In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.</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 the safety labels should be attached for all hazardous chemicals for identification.</p>	<p>Objective evidence observed:</p> <p>Facility tour and management interview</p> <p>Please refer to NC photo 1.</p>

<p>3. 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: MSDS was not available for hazardous chemicals. During the facility tour, auditors found that the facility used chemicals (such as thinner and ethanol). However, no MSDS (Material Safety Data Sheet) was provided on site.</p> <p>Local law and/or ETI requirement Local law: In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.</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 the facility should ensure MSDS is available for hazardous chemical in the workplace.</p>	<p>Objective evidence observed:</p> <p>Facility tour and management interview</p>
<p>4. 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: Lack of evacuation signs. Through onsite observation, auditor found that no evacuation sign was installed in 3 out of 3 evacuation staircases of the production building.</p> <p>Local law and/or ETI requirement Local law: In accordance with the Code of Design on Building Fire Protection and Prevention GB50016-2014 Article 10.3.5, Lamplit Evacuation Indication Signs shall be installed at the public building, residential building of which the building height more than 54m, high-rise factory building (warehouse), and single layer or multilayer factory building of Category A, B or C. The setting shall conform to the following requirements: 1. It shall be installed right above the safety exit and evacuation door of assembly occupancies; 2. It shall be installed on the wall surface, at a height less than 1.0m to the floor, or on the floor surface, of evacuation passages and its corners. The interval between Lamplit Evacuation Indication Signs shall not more than 20m; the interval in passages in curve shall not more than 10m; the interval in the area of corners in the passages shall not more than 1.0m.</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</p>	<p>Objective evidence observed:</p> <p>Facility tour and management interview</p> <p>Please refer to NC photo 2.</p>

<p>as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that the facility should install evacuation signs at the evacuation staircases.</p>	
<p>5. 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 training records / certificate of safety production knowledge and management skill for the principal in charge in the facility. During document review, auditor found that the facility could not provide the training records / certificate of safety production knowledge and management skill of the principal in charge for review.</p> <p>Local law and/or ETI requirement Local law: In accordance with the Law of the PRC on Work Safety Article 27, The principal in charge and persons for the management of work safety in production and business entities have to have the knowledge about work safety and the competence for the management, which are commensurate with the production and business activities of these entities. The principal in charge and persons for the management of work safety in production and business entities that produce, trade, store or Loading and unloading hazardous articles, and mines, metal smelting, building construction, and road transport shall only be appointed to the posts after they pass the examinations in their knowledge about work safety and their competence in the management conducted by the competent departments for work safety supervision and administration. No fees shall be charged for taking such examinations. Entities that produce, store or store Loading and unloading hazardous articles, and mines, metal smelting shall have certified safety engineer to work on the management of work safety.</p> <p>ETI 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>Recommended corrective action: It is recommended that the facility should ensure the principal in charge obtain relevant training records / certificates according to legal requirements.</p>	<p>Objective evidence observed: Document review and management interview</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The facility had established policy/procedure on prohibition of child labour.
- Once employees had joined their original ID's were copied and given back to them whilst copies only were kept in their personnel file.
- Checks of all employees' files showed that the youngest employee present was age 22 years. There was no child labour was hired.

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

Details:

- Personnel files of all employees
- Updated employee roster updated in May 2022
- Recruitment policy/procedure
- Management and employee interview

Any other comments: None

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	22 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0% No employee under 18 years old was employed.
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 N/A, no employee under 18 years old was employed.

Non-compliance:	
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: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- The local minimum wage standard was set at RMB2100 per month equivalent to RMB12.07 per hour (2100/21.75/8) per hour before 1 December 2021 and MB2300 per month equivalent to RMB13.22 per hour (2300/21.75/8) per hour since 1 December 2021.
- All employees' wages were calculated by hourly rate. The minimum wage paid by the facility was RMB4000 per month equivalent to RMB22.99 per hour based on provided payroll records.
- All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- All employees were paid before 20th of next month after the wage calculation period by cash, and each employee was given a pay slip.
- Social insurance provided to all employees.
- Benefits of child-bearing leave to appropriate female employees.
- The facility did not pay 300% of the normal wages for the days of annual leave that the employees did not enjoy.
- Through document review, auditors found that the facility rules and actual practices showed that the wages of the employee, who had dissolved or terminated his/her labor contract per the law, were paid on the next payday after termination.

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

Details:

- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records from April 2021 to March 2022 and attendance records for the period from 1 April December 2021 to 6 May 2022 (audit day) were provided for review.
- Only Warehouse Check in/out Record from January 2022 to April 2022 were provided for reviewed.
- Leave records since April 2021
- Resignation records since April 2021
- Social insurance and payment receipts from the local labour department

- Labour contracts for all employees
- Management and employee interview

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Delay payment for resigned employees. Through document review, auditors found that the facility rules and actual practices showed that the wages of the employee, who had dissolved or terminated his/her labor contract per the law, were paid on the next payday after termination.

Local law and/or ETI requirement:

Local law: In accordance with Provisional Regulation on Wage Payment Article 9, when an employing entity and employee terminate or dissolve a labour contract according to law, the employer should pay outstanding wages to the employee in a one-time payment upon the dissolution or termination.

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.

Recommended corrective action:

It is recommended that the facility pay employees all wages when the labour contract dissolved or terminated.

Objective observed:

evidence

Document review, employee interview and management interview

1. Description of non-compliance:

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

Insufficient payment for annual leave. The facility did not pay 300% of the normal wages for the days of annual leave that the employees did not enjoy.

Local law and/or ETI requirement:

Local law: In accordance with Regulations on Employee's Paid Annual Leave Article 5, employers coordinate annual leave according to the specific circumstance of production and task, as well as taking into account of the will of employees themselves.

Annual leave can be arranged either in the way of centralization or decentralization, and generally not beyond the present year. If it is necessary for employers to arrange cross-year annual leave for employees due to the characteristic of production and task, a cross-year annual leave arrangement can be made.

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.

Objective observed:

evidence

Document review, employee interview and management interview

Recommended corrective action:

It is recommended that the facility should pay 300% of the normal wages for the days of annual leave that the employees did not enjoy.

Observation:
Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:
Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: Not exceed 3 hours per day and 36 hours per month	B1: Maximum daily overtime hours: 0 hour/day in all sampled months Maximum weekly overtime hours: 4 hours/week in all sampled months Maximum monthly overtime hours:	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		16 hours/ month in all sampled months	
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: RMB2100 per month equivalent to RMB12.07 per hour (2100/21.75/8) per hour before 1 December 2021 and MB2300 per month equivalent to RMB13.22 per hour (2300/21.75/8) per hour since 1 December 2021	C1: Actual minimum wage was paid at RMB4000 per month equivalent to RMB22.99 per hour	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: The employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: 1) to pay no less than 150% of the normal wages if the extension of working hours is arranged; 2) to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and 3) to pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.	D1: 1. No compensatory time off or insufficient overtime wages for extended rest day. Through document review, auditor found that no overtime wages were paid for employees worked on 5 October 2021. 3 October 2021 was public holiday in China, and it happened to be rest day (Sunday), but the facility did not arrange one day compensatory time off for this overlapped Sunday, and the facility did not pay 200% of normal rate as overtime wages for this extended rest day. 2. 2 out of 10 randomly selected employees worked 16 hours overtime in rest days in March 2022 and January 2022, and 1 out of 10 randomly selected employees worked 16 hours overtime in rest days in December 2021. But the facility only paid 12 hours overtime in rest days for corresponding employees in relevant months. Based on the sampled employees, no overtime in weekdays and holidays was noted.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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. The facility provided the accurate records at the first request.		
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 from March 2022 (current month) 10 samples from January 2022 (random month) 10 samples from December 2021 (random month)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details: There was no different legal minimum wage grade.	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details: 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 type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: RMB4000 per month equivalent to RMB22.99 per hour	
F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: ____% of workforce earning minimum wage F3: <u>100</u> % of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: RMB 2500-3500 per month for post allowance and RMB300 for full attendance bonus based on the sampled records <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:	Social insurance: basic endowment insurance, employment injury insurance, unemployment insurance, maternity insurance, basic medical insurance. Personal tax		
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. Social insurance Please describe: Personal social insurance fee would be

			deducted according to law requirement.
		I2: Please list all deductions that have not been made.	1. Personal income tax Please describe: Paid by the facility
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: Facial ID attendance system was used to record employees' attendance, and no inconsistent or incomplete was found.		
M: Is there a defined living wage: 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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility conducted once internal audit per year to check the compliance of wages		
O: Are workers paid in a timely manner in line with local law?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Remark: The facility rules and actual practices showed that the wages of the employee, who had dissolved or terminated his/her labor contract per the law, were paid on the next payday after termination.		

<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: Through facility rules review, payroll records review and employee 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: N/A</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:

- Working time policy and controlling procedure were established and implemented in the facility.
- Overtime was voluntary.
- Facial ID attendance system was used for time keeping
- Attendance hours were completed which could calculate wages.
- According to provided attendance records and employee interview, basic working hours were 8 hours per day and 40 hours per week.
- According to provided attendance records, total monthly overtime was within legal requirement due to system production arrangement. Records show that employees have at least 1 day off per week.
- In sampled months, the max weekly working hours were 44 hours per week.
- Based on the provided records, maximum overtime hour statistics are as the followings:

0 hour/day in March 2022 (current month)

0 hour/day in January 2022 (random month)

0 hour/day in December 2021 (random month)

4 hours/ week in March 2022 (current month)

4 hours/ week in January 2022 (random month)

4 hours/ week in December 2021 (random month)

16 hours/ month in March 2022 (current month)

16 hours/ month in January 2022 (random month)

16 hours/ month in December 2021 (random month)

- Insufficient overtime wage for employees was noted.

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

Details:

- Facility policy on working hours
- Facial ID attendance system
- Employees contracts
- Attendance records from 1 April 2021 to 6 May 2022 (audit day)
- Only Warehouse Check in/out Record from January 2022 to April 2022 were provided for reviewed.
- Management and employee interview

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

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

Insufficient overtime wages for employees. Through the document review, auditors found that:

1. No compensatory time off or insufficient overtime wages for extended rest day. Through document review, auditor found that no overtime wages were paid for employees worked on 5 October 2021. 3 October 2021 was public holiday in China, and it happened to be rest day (Sunday), but the facility did not arrange one day compensatory time off for this overlapped Sunday, and the facility did not pay 200% of normal rate as overtime wages for this extended rest day.

2. 2 out of 10 randomly selected employees worked 16 hours overtime in rest days in March 2022 and January 2022, and 1 out of 10 randomly selected employees worked 16 hours overtime in rest days in December 2021. But the facility only paid 12 hours overtime in rest days for corresponding employees in relevant months.

Objective evidence observed:

Attendance records and payroll records review, employee interview and management interview

Local law and/or ETI requirement:

Local law: In accordance with the PRC Labour Law article 44, the employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: 1) to pay no less than 150% of the normal wages if the extension of working hours is arranged; 2) to pay no less than 200% of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and 3) to pay no less than 300% of the normal wages if the extended hours are arranged on statutory holidays.

ETI 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.

Recommended corrective action:

It is recommended that the facility should pay all employees for overtime work according to the law.

Observation:
Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:
Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

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: Facial ID attendance system		
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details N/A		
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: N/A	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:	
		<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other	
		If "Other", Please define:	
		N/A	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A	
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: N/A	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):		
	All sampled employees' maximum worked consecutively 6 days during the sampled months.		

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: 0 hour/day in March 2022 (current month) 0 hour/day in January 2022 (random month) 0 hour/day in December 2021 (random month) 4 hours/ week in March 2022 (current month) 4 hours/ week in January 2022 (random month) 4 hours/ week in December 2021 (random month) 16 hours/ month in March 2022 (current month) 16 hours/ month in January 2022 (random month) 16 hours/ month in December 2021 (random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	<u>93</u> %	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Through employee interview, all selected employees stated that they worked overtime on their willing. And they could refuse to work overtime if they did not want to. Through handbook review, it was noted that the facility did not use monetary penalties as disciplinary means.

Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: N/A. No overtime in weekdays was noted.
N: Is overtime paid at a premium?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: N/A</p> <p>Insufficient overtime wages for employees. Through the document review, auditors found that:</p> <p>1. No compensatory time off or insufficient overtime wages for extended rest day. Through document review, auditor found that no overtime wages were paid for employees worked on 5 October 2021. 3 October 2021 was public holiday in China, and it happened to be rest day (Sunday), but the facility did not arrange one day compensatory time off for this overlapped Sunday, and the facility did not pay 200% of normal rate as overtime wages for this extended rest day.</p> <p>2. 2 out of 10 randomly selected employees worked 16 hours overtime in rest days in March 2022 and January 2022, and 1 out of 10 randomly selected employees worked 16 hours overtime in rest days in December 2021. But the facility only paid 12 hours overtime in rest days for corresponding employees in relevant months.</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.	<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 Not applicable.	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	Not applicable.	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<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) N/A. The maximum weekly working hours were 44 hours in sampled months.	

	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
	N/A. The weekly working hours did not exceed 60 hours.
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: N/A. Overtime hours did not exceed the legal requirement.
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 type="checkbox"/> No N/A, no such circumstance per management interview.

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:

- The facility had anti-discrimination policy and procedure;
- The regular trainings on anti-discrimination were provided to the employees;
- As informed by interviewed employees, most employees spoke highly of the facility owner.
- No employee was required to do the examination of the hepatitis B virus and HIV.
- No female employee was required to do the examination of pregnant test.
- Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
- There was no evidence of sexual harassment.
- 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, employees' organisation membership or political affiliation was found in the facility.
- There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.

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

Details:

- Anti-discrimination policy and procedure
- Regular training records on anti-discrimination
- Hiring and termination procedure, leave application records and employee handbook
- Payroll record from April 2021 to March 2022
- Attendance record from 1 April 2021 to 6 May 2022
- Termination records
- Management and employee interview

Any other comments:

None

A: Gender breakdown of Management + Supervisors (Include as one combined group)

A1: Male: 67 %

A2: Female: 33 %

B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 1 female employee in technician role
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input type="checkbox"/> No evidence of discrimination found C1: Please give details: No evidence of discrimination was found.

Professional Development	
A: What type of training and development are available for workers?	Please give details: Internal trainings relevant to job requirements were provided to employees.

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

Non-compliance:	
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: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- The facility signed labor contracts with all employees and the terms and conditions stated in the contracts complied with local laws. All employees received copies of the contracts of employment.
- All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditor.
- No subcontractor was used.

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

Details:

- Hiring and termination procedure
- Personal files including a copy of employee's contract
- Payroll records from April 2021 to March 2022 were provided for review.
- Management and employee interview

Any other comments:

None

Non-compliance:	
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: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A
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: N/A

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 – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

<p align="center">Migrant Workers:</p> <p align="center"><i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i></p>		
A: Type of work undertaken by migrant workers:	All process	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0 Not applicable, all employees were recruited by the facility directly.	
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 C1: Please describe finding: N/A	C2: Observations: No such deduction applicable
D: Are Any migrant workers in skilled, technical, or management roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 3 migrant employees were in management roles.	

Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	
--	--

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable (there was no non-employee worker in the facility).
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: Not applicable (there was no non-employee worker in the facility).
C: If any checked, give details:	Not applicable (there was no non-employee worker in the facility).

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: Not applicable, site did not use agency.
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site did not use agency.
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable, site did not use agency.
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Not applicable, site did not use agency.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Not applicable, site did not use agency.

Contractors:	
<i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
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: Not applicable
B: If Yes , how many workers supplied by contractors?	Not applicable, no contractor on site.
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: Not applicable, no contractor on site.
D: If Yes , please give evidence for contractor workers being paid per law:	Not applicable, no contractor on site.

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:

- The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.
- All processes were finished within the facility.
- No Home-working was used by this facility.

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

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

Not applicable.

Details:

- Policy on sub-contracting
- Warehouse Check in/out record.
- Facility tour (Calculation on total production and estimated capacity)
- Management and employee interview

Any other comments: None

Non-compliance:

Description of non-compliance:

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

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:	
Description of observation: None observed Local law or ETI/Additional elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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

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 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Grievance reporting mechanism such as suggestion box, phone calls, employee representatives or direct talk to management was established for reporting any violations of labour standards and H & S.
B: If Yes , are workers aware of these channels and have access? Please give details.	The facility gave training on grievance reporting mechanism to all employees.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, phone calls, employee representatives or direct talk to management
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give Details: The grievance mechanism included a provision for non-retaliation, and it allowed above groups to report issues anonymously.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details N/A
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A

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

Current Systems and Evidence Examined

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

Current systems:

- The facility established anti-harsh or anti-inhumane treatment policy. The policy stated that physical abuse or discipline, threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- The facility established a disciplinary procedure for employees' misbehaviour.
- The anti-harsh or anti-inhumane treatment policy and disciplinary procedure were communicated to the employees through regular trainings.
- Employee interview confirmed that employees were aware of anti-harsh or anti-inhumane treatment policy and disciplinary procedure.
- There was an internal process for grievance, where employees can report any grievances (harassment, bullying, discrimination etc.), and any received complaint would be handled by management. The grievance mechanisms were legitimate, accessible and equitable.

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

Details:

- Anti-harsh or anti-inhumane treatment policy and disciplinary procedure
- Training records regarding anti-harsh or anti-inhumane treatment policy and disciplinary procedure
- Internal grievance procedure
- Facility tour
- Management and employee interview

Any other comments:

None

Non-compliance:	
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: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- Through document review, facility management representation and employee interview, all employees in the facility were Chinese, there were 18 employees in the facility. 8 employees were local employees, and 10 employees were domestic migrant employees from Henan, Hunan, Jilin, Jiangxi, Sichuan and Guangxi in China. There was no foreign migrant employee. All employees had the proper legal rights to work in this region. The youngest age was 22 years old.
- All of them were recruited directly by the facility directly, and no agency was involved in facility's recruitment processes.

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

Details:

- Hiring procedure
- Personnel files
- Employee handbook
- Facility tour
- Management and employee interview

Any other comments:

None

Non-compliance:	
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 Local law and/or ETI requirement: None applicable Recommended corrective action: None applicable	Objective evidence observed: None observed

Observation:	
Description of observation: None observed Local law or ETI/Additional Elements requirement: None applicable Comments: None applicable	Objective evidence observed: None observed

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: None observed

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:

- The facility had a written environmental policy.
- Mr. Andy Zhao/Manager was responsible for continuous improvements in their environmental performance.
- No wastewater or waste gas was generated during production.
- The facility had obtained legal required environment document.
- Training on environmental protection were provided for employees.

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

Details:

- Environmental policy
- Training records on environmental protection
- Legal required environment document
- Management interview and employee interview
- Site tour

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

None observed

Local law and/or ETI/Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:	
Description of observation: None observed Local law or ETI/additional elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Other Findings Outside the Scope of the Code

None observed

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

None

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

Best Practices:

None observed	None observed	None observed
N/A	N/A	N/A

Non-compliance pictures:

		None observed
Chemical without secondary or label	No evacuation sign at staircase	N/A

General Pictures:

		
Facility name	Facility gate	Production building

		
Emulsification	Filling	Packing
		
Warehouse	Fire extinguishers	Fire hydrant
		
Evacuation plan	Exit sign, emergency light and fire alarm	Evacuation sign

		
Smoke detector and fire sprinkler	Electrical box with warning sign	Attendance recorder
		
First aid kit	Suggestion box	Potable water
		
Eye wash station	Toilet	Explosion proof lamp



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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:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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