SMETA

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC5000020216	Sedex Site Reference: *(only available on Sedex System)*	ZS1000022984
Business name (Company name):	Anhui Ancheng Bamboo and Wood Tableware CO LTD		
Site name:	Anhui Ancheng Bamboo and Wood Tableware CO LTD		
Site address:	NO .006 XINGQIAO STREET ， QIANRENQIAO TOWN,SHUCHENG COUNTY LUAN CITY 安徽省六安市舒城县千人桥镇兴桥街006号 anhui 231320 CN	Country:	CN
Site contact and job title:	Huan Zhang / Admin Manager		
Site phone:	19955221014	Site e-mail:	2512479864@qq.com

SMETA Audit Pillars:	☑ Labour Standards	☑ Health and Safety (plus Environment 2-Pillar)	☑ Environment 4-pillar	☑ Business Ethics
Date of Audit:	2024-01-22			

Audit Company Name:
TUV Rheinland (TUEV Rheinland)

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

Auditor Team			
Lead Auditor:	Alvin Shen	APSCA Number:	21701995
Additional Auditors:			
Date of declaration:	2024-01-23		

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

Site Representation	
Full Name:	Huan Zhang
Title:	Admin Manager
Date of declaration:	2024-01-23
Comments: *Any exceptions to this must be recorded here (e.g. different sample size):* *Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).* *The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives*	

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non–Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§1 §2 §3	3	0	0	NC - ZAF600331305 NC - ZAF600331306 NC - ZAF600331307
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§4	1	0	0	NC - ZAF600331308
6 - Working hours are not excessive	6.1	§5	1	0	0	NC - ZAF600331309
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2–pillar			0	0	0	
10B4 - Environment 4–pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	General Rules of Design on Health and Safety of Production Facility (GB 5083-1999), Article 6.1.6 The exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. 《生产设备安全卫生设计总则》（GB5083-1999）6.1.6条 以操作人员的操作位置所在平面为基准，凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位，都必须设置安全防护装置。

§2	Special Equipment Safety Law of the People's Republic of China, Article 33 Before the special equipment is put into use or within 30 days after it is put into use, the entity using the special equipment shall make registration with the department of safety supervision of the municipality directly under the Central Government or the city divided into districts. The registration mark shall be placed or attached at a notable position on that special equipment. Special Equipment Safety Law of the People's Republic of China, Article 39 ..... The user of special equipment shall regularly check and overhaul the safety accessories and safety protection devices of the special equipment it uses, and make records. Special Equipment Safety Law of the People's Republic of China, Article 40 An entity using special equipment shall, in accordance with the requirements of the safety technical code on regular inspection, file the request for regular inspection with the inspection and testing institution in 1 month prior to the expiry of the period of validity of the safety inspection. The inspection and testing institution shall, after receiving the request for regular inspection, make the inspection in a timely way pursuant to the requirements of the safety technical code. The special equipment that hasn't gone through the regular inspection or that has failed the inspection may not be used any longer. 《中华人民共和国特种设备安全法》第三十三条 特种设备使用单位应当在特种设备投入使用前或者投入使用后三十日内，向负责特种设备安全监督管理的部门办理使用登记，取得使用登记证书。登记标志应当置于该特种设备的显著位置。 《中华人民共和国特种设备安全法》第三十九条 .....特种设备使用单位应当对其使用的特种设备的安全附件、安全保护装置进行定期校验、检修，并作出记录。 《中华人民共和国特种设备安全法》第四十条 特种设备使用单位应当按照安全技术规范的要求，在检验合格有效期届满前一个月向特种设备检验机构提出定期检验要求。特种设备检验机构接到定期检验要求后，应当按照安全技术规范的要求及时进行安全性能检验。特种设备使用单位应当将定期检验标志置于该特种设备的显著位置。未经定期检验或者检验不合格的特种设备，不得继续使用。
§3	Work Safety Law of the People's Republic of China (2021), Article 45 The production and business operation entities shall provide labor protection articles that meet the national standards or industrial standards to the employees thereof, supervise and educate them to wear or use these articles according to the prescribed rules. 《中华人民共和国安全生产法》（2021）第四十五条 生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。
§4	Labour Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and pooling of insurance funds from the society shall be introduced step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Labourers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: (1) retirement; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; (5) child-bearing. 中华人民共和国劳动法第72条 社会保险基金按照保险类型确定资金来源,逐步实行社会统筹.用人单位和劳动者必须依法参加社会保险,缴纳社会保险费。 中华人民共和国劳动法第73条 劳动者在下列情形下,依法享受社会保险待遇:一)退休;(二)患病,负伤;(三)因工伤残或者患职业病;(四)失业;(五)生育。
§5	Labor Law of the People's Republic of China (2018 Amendment), Article 41. The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours. 中华人民共和国劳动法（2018修正）第四十一条。 用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。

Site Details

Site Details		
Company Name	Anhui Ancheng Bamboo and Wood Tableware CO LTD	
Site Name	Anhui Ancheng Bamboo and Wood Tableware CO LTD	
GPS location (if available)	GPS Address:	NO.006 Xingqiao Street, Qianrenqiao Town, Shucheng County, Lu'an City, Anhui Province, China
	Coordinates:	N31°28′53'' Longitude: E117°3′54″
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.: 91341523MA8P2B0F80, Valid from 20 May 2022 to the long term.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Disposable bamboo and wooden tableware (knife, fork, spoon, boat, pizza stander, chopsticks, skewer, flag skewer, beef skewer, sandwich skewer, coffee stirrer, ice cream bar, fruit fork, umbrella skewer, stick, finger skewer, toothpick skewer, ice cream spoon, bread tong, straw, plate, box, tray)	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	There were total 7 buildings (one 4-storey office and production building, one 2-storey office building, one 2-storey complex building, three 1-storey production buildings and one temporary 1-storey production building) inside the factory boundary and all buildings were owned by the auditee, the auditee rented out the 2-storey office building, the 2-storey complex building and two 1-storey production buildings to another factory, other three buildings were used by the auditee. The other factory had independent business license, they did not share same workers and no business relationship between them. The total construction area used by the auditee was about 10599 square meters. Due to new platform reasons, the site information display is incomplete and cannot be modified, so it is further explained as below: Company name: Anhui Ancheng Bamboo and Wood Tableware CO LTD 安徽安成竹木餐具有限公司; Site name: Anhui Ancheng Bamboo and Wood Tableware CO LTD 安徽安成竹木餐具有限公司 Site address: NO.006 Xingqiao Street, Qianrenqiao Town, Shucheng County, Lu'an City, Anhui Province, China安徽省六安市舒城县千人桥镇兴桥街006号 Audit type: Semi-announced full initial audit 4-Pillar on 22/01/2024-23/01/2024, window details: 4 weeks Lead auditor: Alvin Shen, Additional auditor: NA Remark: The total area of the temporary 1-storey production building was about 200 square meters, there is no need to obtain fire safety certificate and building structure safety certificate for the temporary building according to the relevant regulations in China.	

<table>
<tr><td>Structure and number of buildings</td><td>
<table>
<tr><td colspan="2">Building Name:</td><td>Building No. 1</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>1</td><td>Raw material storing area and boiling working area</td><td>This building was built in 2023.</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No.2</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>1</td><td>Sawtoothing area</td><td>This temporary building was built in 2023.</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No.3</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>1</td><td>Slicing, sawtoothing, forming, drying areas and semi-products storing area</td><td>This building was built in 2023.</td></tr>
<tr><td>2</td><td>Pressing workshop and semi-products storing area</td><td>This building was built in 2023.</td></tr>
<tr><td>3</td><td>Ultraviolet sterilization, inspection and packing workshops</td><td>This building was built in 2023.</td></tr>
<tr><td>4</td><td>Packing workshop, ultraviolet sterilization area and finished goods warehouse</td><td>This building was built in 2023.</td></tr>
</table>
</td></tr>
<tr><td>Visible structural integrity issues (large cracks) observed?</td><td>☐ Yes ☑ No
Please give details:
No visible structural integrity issue was observed during the audit.</td></tr>
<tr><td>Does the site have a structural engineer evaluation?</td><td>☑ Yes ☐ No
Please give details:
Construction project completion acceptance check of the factory building was provided for review.</td></tr>
<tr><td>Site function</td><td>☐ Agent
☑ Factory Processing/Manufacturer
☐ Finished Product Supplier
☐ Grower
☐ Homeworker
☐ Labour Provider
☐ Pack house
☐ Primary Producer
☐ Service Provider
☐ Sub-contractor</td></tr>
<tr><td>Months of peak season</td><td></td></tr>
</table>

Process overview	Products: Disposable bamboo and wooden tableware (knife, fork, spoon, boat, pizza stander, chopsticks, skewer, flag skewer, beef skewer, sandwich skewer, coffee stirrer, ice cream bar, fruit fork, umbrella skewer, stick, finger skewer, toothpick skewer, ice cream spoon, bread tong, straw, plate, box, tray). Process: Boiling, Slicing, Drying, Forming, Sawtoothing, Pressing, Ultraviolet sterilization, Inspection and Packing, Production line: 5. Main equipment: Boiling Pools, Slicing machines, Oven, Forming machines, Sawtoothing machines, Pressing machines, Packing machines and etc.
What form of worker representation is there on site?	☐ Union ☐ Worker Committee ☑ Other ☐ None
Please give details:	Worker representative
Is there any night production work at the site?	☐ Yes ☑ No
Are there any on site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Are there any off site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Were all site provided accommodation buildings included in this audit	☐ Yes ☑ No Please give details: N/A. No dormitory was provided for workers.

Audit Parameters					
Time in and time out	Day 1		Day 2		
	In	07:30	In	07:30	
	Out	17:00	Out	11:30	
Audit type:	FULL_INITIAL				
Was the audit announced?	SEMI_ANNOUNCED				
Was the Sedex SAQ available for review?	Yes				
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No				
Who signed and agreed CAPR	Huan Zhang / Admin Manager				
Is further information available	No				

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	3	0	0	0	0	0	0	3
Worker numbers – female	81	0	0	1	0	0	0	82
Total	84	0	0	1	0	0	0	85
Number of Workers interviewed – male	1	0	0	0	0	0	0	1
Number of Workers interviewed – female	8	0	0	1	0	0	0	9
Total – interviewed sample size	9	0	0	1	0	0	0	10

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese approx %: 100%	
Was this list completed during peak season?	☐ Yes ☑ No Please give details: N/A There was no obvious peak season in the factory.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	0%
	Salaried:	100%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	Nil

Worker Interview Summary	
Were workers aware of the audit?	☐ Yes ☑ No
Were workers aware of the code?	☑ Yes ☐ No
Number of group interviews:	Total 4 workers in 1 group
Number of individual interviews:	Male: 1 Female: 5
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.	☑ Yes ☐ No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☑ Yes ☐ No
In general, what was the attitude of the workers towards their workplace?	☑ Favorable ☐ Non-favourable ☐ Indifferent
What was the most common worker complaint?	All interviewed workers had a positive attitude towards the factory and management.
What did the workers like the most about working at this site?	All interviewed workers indicated that they were satisfied with the total payment and working condition.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	They stated that the overtime work was voluntary and they were satisfied with the working hours.
Is there any worker survey information available?	☐ Yes ☑ No Please give details:

Attitude of workers:
10 workers were selected for interviewing, including 1 male worker and 9 female workers, they were interviewed as 1 group of 4 and the balance of 6 workers were interviewed individually in a confidential condition without any influence by the factory management. The workers were assured of confidentiality and they spoke freely of their views of the factory. All interviewed workers said they were satisfied with their employment at the factory and current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.
Attitude of worker's committee/union reps:
The interviewed worker representative was favourable with the management and factory environment. All the association activities were supported by the factory. No any negative information was observed.
Attitude of managers:
The factory management showed a cooperative attitude during audit. They agreed auditor to conduct whole audit including workplace observation and confidential interview with workers without any influence. And they were willing to take corrective action for the findings identified during the audit.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory had established its own social responsibility policies, procedures and work instructions to comply with human rights. 2. Ms Huan Zhang / Admin Manager was responsible for implementing standards concerning human rights. 3. The factory had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights. 4. The factory had established a system of corrections and corrective actions if an adverse impact on human rights within any of their stakeholders occurred. 5. The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. 6. This policy was communicated to all appropriate parties, including its own suppliers.
Evidence examined:
Social responsibility policy, procedure and work instructions Internal audits records Suppliers management procedure Training records Management interview Worker interview
Any other comments:
Nil

Policy statement that expresses commitment to respect human rights?	☑ Yes ☐ No Please give details: Social responsibility policy was established which included all policy and procedures about no forced labour, no child labour, antidiscrimination, anti-harassment and so on.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: Workers' manual covered this policy.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	☑ Yes ☐ No Please give details: Ms Huang Zhang/ Admin Manager
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?	☑ Yes ☐ No Please give details: The factory had established transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☑ Yes ☐ No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☑ Yes ☐ No Please give details: All employees' private information such as personal identity information was managed by Admin department and only authorized employees had the right to such kind of information.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 5.0% This year 3.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	2.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 1.0% This year 1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0.5%
Are accidents recorded?	☑ Yes ☐ No Please give details: No severe accidents occurred in past 12 months.

Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year This year	0.0% 0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year This year	0.0% 0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 12 month	0.0% 0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 12 month	0.0% 0.0%

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

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1. The factory established social compliance system and policy based on ETI base code and local laws and regulations. 2. Ms Huan Zhang / Admin Manager took responsibility on social responsibility issues. 3. Valid business license and leasing agreement were provided for review. 4. The factory conducted the internal audit on its social accountability periodically. 5. The factory had established and maintained a documented management system for delivering compliance to the ETI Base Code. 6. The factory communicated this Code to all suppliers and employees.
Evidence examined:
Social compliance policy Business license Leasing agreement Internal audit records Training records Management interview Worker interview
Any other comments:
Nil

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☑ No Please give details: No such fine or prosecutions were identified.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: The policy of prohibition of forced labour, child labour, discrimination, harassment and abuse were established and it was provided for review.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory provided employee manual to employees about all these polices, recruitment trainings were provided to each employee when they entered the factory. According to procedures review, management and employee's interview, no negative evidence on forced labour, child labour, discrimination, harassment & abuse was observed.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: The factory provided training courses regarding relevant items to management and workers through induction training and regular training.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☑ Yes ☐ No Please give details: The factory provided employee manual to employees about all these polices, recruitment trainings were provided to each employee when they entered the factory. According to procedures review, management and employee's interview, no negative evidence on forced labour, child labour, discrimination, harassment & abuse was observed.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	☐ Yes ☑ No Please give details: Nil, no certificate was provided.
Is there a Human Resources manager/department?	☑ Yes ☐ No Ms Huan Zhang / Admin Manager was responsible for human resource management.
Is there a senior person /manager responsible for implementation of the code?	☑ Yes ☐ No Please give details: Ms Huan Zhang / Admin Manager was responsible for implementation of the Code.
Is there a policy to ensure all worker information is confidential?	☑ Yes ☐ No Please give details: The factory established the privacy protection policy.
Is there an effective procedure to ensure confidential information is kept confidential?	☑ Yes ☐ No Please give details: The factory established the privacy protection procedure and only authorized employees had the right to such kind of information.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	☑ Yes ☐ No Please give details: The factory conducted the risk assessments to evaluate the effectiveness of the policy and procedure.

Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The factory had addressed issues which found by risk assessments and set up the preventative action for similar noncompliance.
Does the facility have a policy/code which require labour standards of its own suppliers?	☑ Yes ☐ No Please give details: The factory communicated the ETI base code to supplier and where reasonably practicable, extend the principles of this ethical code through its supplier chain.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☑ Yes ☐ No Please give details: The factory provided all required land rights licenses and permissions for review.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☑ Yes ☐ No Please give details: The factory established the system to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	☐ Yes ☑ No Please give details: N/A. The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental deportment for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	☑ Yes ☐ No Please give details: The factory provided all required land rights licenses and permissions for review.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☑ No Please give details: N/A. No land acquisition for the land bought from the government.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	☐ Yes ☑ No Please give details: No illegal appropriation of land for factory building or expansion of footprint.

1 - Freely chosen Employment [Summary of Findings]
1: Compliance Requirements 1.1 There is no forced, bonded or involuntary prison labour. 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory had established a recruitment policy which prohibited forced, bonded and involuntary prison labour and provided for review during the audit. 2. The employees obtained their jobs by themselves or by friend's recommendation. 3. Recruitment policy stated that the using of forced labour, bonded labour and involuntary prison labour was extremely prohibited in the factory, according to the policy, all employees could be free to resign after reasonable notice 3 days in advance notice for the probation workers and 30 days in advance notice for the formal workers. 4. The terms and conditions of employment in the handbook stated that the factory did not restrict workers' freedom and workers could leave the factory freely after shift ended. 5. The workers were not required to lodge deposits or their Identity cards to the factory at the beginning of employment. 6. There was no forced, bonded or involuntary prison labour used in the factory.
Evidence examined:
Recruitment policy Employee handbook Personal file Labour contract Worker interview
Any other comments:
Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☑ No Please give details: There was no any restrictions on workers' freedom to terminate employment.

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	☐ Yes ☐ No ☑ Not Applicable Please give details: N/A
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☑ No Please give details: There was no any restrictions on workers' freedoms to leave the site at the end of the work day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☑ Yes ☐ No ☐ Not Applicable Please give details: No forced/ trafficked / bonded labour was identified in its supply chain.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☑ Yes ☐ No Please give details: The policies were established in the factory. The factory communicated the policy to its workers.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory provided freedom of association and right to collective bargaining policy, in which it was stipulated that the factory should not restrict employees' right to join or form trade union of their own choosing and to bargain collectively. The interviewed workers showed that they were free to join the union and worker representative. 2. There was no union established in the factory and the election of worker representatives were conducted and the communication meeting was carried out regularly, which was on a fair and open situation. The election records showed that two worker representatives were elected by employees freely. 3. The management adopted an open attitude towards the activities of worker representatives. Neither workers nor their representatives were discriminated against or suffered other repercussions. 4. Workers were free to raise the suggestion and complaint through supervisors, worker representatives, Admin department and suggestion box.
Evidence examined:
Policy on respecting freedom of association and collective bargaining Election records Meeting records Worker representative interview Worker interview
Any other comments:
Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	☐ Union ☑ Other	☐ Worker Committee ☐ None
Other details:	Worker representative	
Is it a legal requirement to have a union?	☐ Yes ☑ No	
Is it a legal requirement to have a worker's committee?	☐ Yes ☑ No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	☑ Yes ☐ No Please give details: Suggestion box, Admin department, etc.	
Is there evidence of free elections?	☑ Yes ☐ No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☑ Yes ☐ No Please give details: The meeting room was provided for worker representatives to conduct meeting with management.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	☐ Yes ☐ No ☑ Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker Representatives
Is there evidence of free elections?	☑ Yes ☐ No ☐ Not Applicable
Are all workers aware of who their representatives are?	☑ Yes ☐ No Please give details: Through worker interview, it was noted that all interviewed employees knew the worker representatives.
Were worker representatives freely elected?	☑ Yes ☐ No
Date of last election:	2023-06-16
Do workers know what topics can be raised with their representatives?	☑ Yes ☐ No
Were worker representatives/union representatives interviewed?	☑ Yes ☐ No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Regular meetings were held between worker representatives and management. The latest meeting was conducted on 27 December 2023. The main topic was about occupational health and safety issues in the factory.
Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☑ No

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory established written policy on health and safety and obtained the updated laws on it. 2. Ms Huan Zhang/ Admin Manager was appointed as the health and safety monitor. The health and safety trainings for employees were held regularly, especially at the time of recruiting new employees. 3. Temperature and lighting were adequate for the production processes. 4. Two trained first aiders were available at the factory. First aid kits with enough medical supplies were available in the workshop. 5. Fire drills had been conducted for all employees in production area twice a year and the latest drill was conducted on 27 November 2023. The records and photos of fire drills were available for review. 6. Toilet was available, clean and adequate at all times to workers. 7. The factory installed sufficient fire equipment in the workshops (including fire extinguishers, fire hydrants, fire alarms, smoke sensing and automatic sprinkler system and so on) and monthly inspection records were attached on the equipment. 8. The factory did not share the same production building with other factories. The evacuation routes were clean and evacuation plans were posted. 9. Potable water was provided free of charge to workers in all areas and test report was up-to-date. 10. Accident records were kept and provided for review. It was identified that no significant accident was occurred in past one year. 11. No canteen, kitchen or dormitory were provided for the workers by the factory. 12. Construction project completion acceptance check and fire control acceptance check of the factory buildings were provided for review.
Evidence examined:
Healthy and safety policy Fire drill records on 22 May 2023 and 27 November 2023 Test report of potable water on 27 July 2023 First aider certificates valid until 12 May 2025 Training records Risk assessment records Accident records Management interview Worker interview
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☑ Yes ☐ No Please give details: The factory had established a health and safety policy and provided trainings for all departments and new employees.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: The worker's manual included all available policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☑ No Please give details: No structural addition without required permits, no structural addition without required permits.
Are visitors to the site informed on H&S and provided with personal protective equipment?	☑ Yes ☐ No Please give details: The visitor was informed on health and safety policy and provided with personal protective equipment during the onsite observation.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	☐ Yes ☑ No Please give details: No local law requirement about medical room, while, the first aid kits stocked with necessary supplies were provided in workshops and warehouse.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☑ Yes ☐ No Please give details: Two trained first aiders were available in the factory and the first aiders' contact information were posted beside each first aid kit.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☑ No Please give details: Transport facility was not provided for employees.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☑ No Please give details: NA. No dormitory was provided for workers by the factory.
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?	☑ Yes ☐ No Please give details: The factory had conducted risk assessment on health and safety and risk lists were available for review.

Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☑ Yes ☐ No Please give details: The site could meet its legal obligations on environmental requirements including required permits for use and disposal of natural resources.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☑ Yes ☐ No Please give details: Per document review and management interview, no banned chemical was found during the audit.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600331305
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)
Subcategory	Machinery
New or carried over?	☑ New ☐ Carried Over
Root cause	☑ Training ☐ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	General Rules of Design on Health and Safety of Production Facility (GB 5083- 1999), Article 6.1.6 The exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.《生产设备安全卫生设计总则》（GB5083-1999）6.1.6条 以操作人员的操作位置所在平面为基准，凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位，都必须设置安全防护装置。
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	It was noted that the sprockets of the two slicing machines in the slicing area were missing protective covers. 旋切区两台旋切机器链条轮缺少防护罩。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should install



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	protective covers for all slicing machines. 工厂应给所有旋切机安装链条轮保护罩。

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance		
Status	OPEN	
Reference	ZAF600331306	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	267 - No / inadequate certificates for inspections of machinery, or machines not registered as required by law	
Subcategory	Machinery	
New or carried over?	☑ New	☐ Carried Over
Root cause	☑ Training ☐ Costs ☐ Other	☐ System ☐ Lack of workers
Root cause - Other		
Local law issue	Special Equipment Safety Law of the People's Republic of China, Article 33 Before the special equipment is put into use or within 30 days after it is put into use, the entity using the special equipment shall make registration with the department of safety supervision of the municipality directly under the Central Government or the city divided into districts. The registration mark shall be placed or attached at a notable position on that special equipment. Special Equipment Safety Law of the People's Republic of China, Article 39 ..... The user of special equipment shall regularly check and overhaul the safety accessories and safety protection devices of the special equipment it uses, and make records. Special Equipment Safety Law of the People's Republic of China, Article 40 An entity using special equipment shall, in accordance with the requirements of the safety technical code on regular inspection, file the request for regular inspection with the inspection and testing institution in 1 month prior to the expiry of the period of validity of the safety inspection. The inspection and testing institution shall, after receiving the request for regular inspection, make the inspection in a timely way pursuant to the requirements of the safety technical code. The special equipment that hasn't gone through the regular inspection or that has failed the inspection may not be used any longer. 《中华人民共和国特种设备安全法》第三十三条 特种设备使用单位应当在特种设备投入使用前或者投入使用后三十日内，向负责特种设备安全监督管理的部门办理使用登记，取得使用登记证书。登记标志应当置于该特种设备的显著位置。 《中华人民共和国特种设备安全法》第三十九条 .....特种设备使用单位应当对其使用的特种设备的安全附件、安全保护装置进行定期校验、检修，并作出记录。 《中华人民共和国特种设备安全法》	



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	第四十条 特种设备使用单位应当按照安全技术规范的要求，在检验合格有效期届满前一个月向特种设备检验机构提出定期检验要求。特种设备检验机构接到定期检验要求后，应当按照安全技术规范的要求及时进行安全性能检验。特种设备使用单位应当将定期检验标志置于该特种设备的显著位置。未经定期检验或者检验不合格的特种设备，不得继续使用。
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	The factory did not provide a registration certificate and annual inspection report for the gas boiler, and did not provide calibration reports for the safety accessories of pressure vessel (including pressure gauges and safety valves). 工厂没有提供一台燃气锅炉的使用登记证和年检报告，也没有提供4台压力容器安全附件的校验报告（包括压力表和安全阀）。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should obtain the registration certificate and annual inspection report for the boiler and send the safety accessories of the pressure vessel to the calibration department as soon as possible, and obtain a qualified calibration report before it can be used. 工厂应尽快获得该台锅炉的使用登记证和年检报告，给将压力容器的安全附件尽快送去校验部门，获得合格的校验报告后才可使用。

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600331307
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate
Subcategory	Personal Protective Equipment/Clothing
New or carried over?	☑ New ☐ Carried Over
Root cause	☑ Training ☐ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Work Safety Law of the People's Republic of China (2021), Article 45 The production and business operation entities shall provide labor protection articles that meet the national standards or industrial standards to the employees thereof, supervise and educate them to wear or use these articles according to the prescribed rules. 《中华人民共和国安全生产法》（2021）第四十五条 生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	About 80% of workers in the slicing, forming and sawtoothing areas did not wear factory-provided protective earplugs and only wore disposable hygiene masks instead of dust proof masks.(The factory had provided dust proof masks, but workers explained that wearing dust masks was not as comfortable as disposable hygiene masks.) 大约80%的旋切区、成型和开齿区的工人没有佩戴工厂提供的防护耳塞，仅佩戴一次性卫生口罩而非防尘口罩（工厂已经提供了防尘口罩，但是工人解释称佩戴防尘口罩不如一次性卫生口罩舒服）。
Follow up method	☐ Follow up audit ☑ Desktop audit



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Timescale	☐ Immediate	☑ 30 days	☐ 60 days
	☐ 90 days	☐ 120 days	☐ 180 days
	☐ 365 days	☐ Other	
Actions	It is recommended that the factory should provide PPEs to all related workers and supervise and educate workers to wear PPEs properly where applicable. 工厂应提供劳动防护用品给相关工人并监督和教育工人佩戴劳动防护用品。		

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory established a policy that would never employ and use any child labour under the age of 16 years old. The factory also established a child labour remedy procedure for review. 2. No child labor or young worker was found during the audit. The youngest worker was 26 years old, who was born on 4 April 1997 and joined the factory on 20 May 2022. No historical child labour was identified during documents review and worker interview. 3. There was a written recruitment procedure which stated that employees must present their ID cards for proof of age but only copies must be kept in the personal files and the original ID cards would be given back to the employees. The employees without valid ID certificates should not be hired. In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour.
Evidence examined:
Recruitment policy Child labour remedy procedure Personal files with ID copy Employee roster Worker interview
Any other comments:
Nil

Legal age of employment:	16
Age of youngest worker found:	26
Are there children present on the work floor but not working at the time of audit?	☐ Yes ☑ No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	☐ Yes ☑ No Please give details: N/A No young worker used in the factory.

5 - Living Wages are Paid [Summary of Findings]
5: Compliance Requirements 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1. The legal minimum wage was RMB1870 per month (equal to RMB10.75 per hour) since 1 March 2023. 2. During this audit, the wage records from January 2023 to December 2023 were provided for review. It was shown that all workers' wages were calculated by monthly rate, the minimum wage was RMB2500 per month in the factory. The calculated period was a calendar month. 3. The wages were paid on 15th of the next month by cash, and each employee signed for wages. 4. Based on wage records review and workers interview, overtime hours on normal working days were paid according to 150% of the normal wages. Overtime hours on rest days were paid according to 200% of the normal wages and overtime hours on statutory holidays were paid according to 300% of the normal wages. 5. Factory signed labour contract with employees once they were recruited. The working hours, basic wage, pay period and overtime premium rate as well as terms and conditions were clearly stated in the labour contract. The information in the labour contract was understandable and complied with local regulation and ETI base code. 6. Benefits such as annual leave, sick leave, marriage leave, and child-bearing leave etc. were provided to relevant employees adequately. 7. The numbers of workers on attendance and payroll records were consistent with the number of workers in the employee roster.
Evidence examined:
Local legal minimum wage document Payroll records Attendance records Social insurance receipt Labour contract Management interview Worker interview
Any other comments:
Nil

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

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: 174.0	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 14.0 Per Month: 58.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 85.98 Per Week: 429.89 Per Month: 1870.0	Actual Per Day: 114.94 Per Week: 574.71 Per Month: 2500.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 43.1 Per Week: 402.3 Per Month: 1479.89	NO

Wages Analysis:	
Were accurate records shown at the first request?	☑ Yes ☐ No
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 sample workers in December 2023 were checked (Current paid month); 10 sample workers in June 2023 were checked (Random month); 10 sample workers in March 2023 were checked (Random month).
Are there different legal minimum wage grades? If Yes, please specify all.	☐ Yes ☑ No
If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☑ Not Applicable Please give details:
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	☐ Below legal min ☐ Meet ☑ Above
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	One sampled worker in March 2023: Total standard work hours: 184 hours Standard month wages: RMB 2500 Weekday OT: 26 hours Weekday OT wages: RMB560.34 Rest day OT: 32 hours Rest day OT wages: RMB919.54 Statutory holiday wages: RMB 0 Total wages: RMB 3979.88
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage
Bonus Scheme found: Please specify details:	Bonus Scheme found:Nil Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.
What deductions are required by law e.g. social insurance? Please state all types:	income tax, Individual parts of social insurance (Medical, retirement and unemployment insurances)
Have these deductions been made?	☑ Yes ☐ No

Please list all deductions that have been made.	income tax, Individual parts of social insurance (Medical, retirement and unemployment insurances) were deducted according to the local law.
Please list all deductions that have not been made.	Nil
Were appropriate records available to verify hours of work and wages?	☑ Yes ☐ No
Were any inconsistencies found? (if yes describe nature)	☐ Yes ☑ No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	☑ Yes ☐ No Please give details: Attendance records accurately reflected the employees' working hours.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	☐ Yes ☑ No Please give details:
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation ☐ Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☑ Yes ☐ No Please give details: The factory conducted internal audit per year to check the compliance of wages.
Are workers paid in a timely manner in line with local law?	☑ Yes ☐ No
Is there evidence that equal rates are being paid for equal work:	☑ Yes ☐ No Please give details: According to payrolls review and worker interview, it was confirmed that equal rates were being paid for equal work.
How are workers paid:	☑ Cash ☐ Cheque ☐ Bank Transfer ☐ Other

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600331308
Clause	5 - Living Wages are Paid
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic
Subcategory	Benefits & Insurance
New or carried over?	☑ New ☐ Carried Over
Root cause	☑ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Labour Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and pooling of insurance funds from the society shall be introduced step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Labourers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: (1) retirement; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; (5) child-bearing. 中华人民共和国劳动法第72条 社会保险基金按照保险类型确定资金来源,逐步实行社会统筹.用人单位和劳动者必须依法参加社会保险,缴纳社会保险费。 中华人民共和国劳动法第73条 劳动者在下列情形下,依法享受社会保险待遇:一)退休;(二)患病,负伤;(三)因工伤残或者患职业病;(四)失业;(五)生育。
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
Explanation to the non compliance	Social insurance didn't cover all employees in the past one year. There were total 94 employees in the factory including 43 employees who were rehired after retirement and 1 new employee hired within recent one month, so 50 employees should be provided social insurances. Based on the latest social insurance receipt and wage list review, the factory did not provide work-related injury, retirement and unemployment insurances to 48 employees, did not provide maternity, medical insurances to 50



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	employees. Remark: The factory had purchased commercial accident insurance for all employees, including those who had not purchased work-related injury insurance and those retired workers, the valid date was from December 1, 2023 to December 1, 2024. 过去一年内社保未全员覆盖。工厂共94名员工，包含43名退休返聘人员，最近一个月内有1名新进员工，所以有50名员工应该提供社保。根据最新的社保发票和工资表，工厂没有给48名员工提供工伤/退休和失业险，没有给50名员工提供生育/医疗险。备注：工厂给所有员工包括未购买工伤保险的员工和退休返聘的员工购买了商业意外险，有效期为2023年12月1号到2024年12月1号。
Follow up method	☑ Follow up audit ☐ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should adopt practices and controls to ensure that all employees are provided with work-related injury, maternity, medical, retirement and unemployment insurances benefit as legally required. 工厂应该按照法律要求为所有员工购买工伤/生育/医疗/退休和失业险。

6 - Working Hours are not Excessive [Summary of Findings]
6: Compliance Requirements 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards. 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week. 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below. 6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met: 6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1. The normal working hour was 8 hours per day and 5 days per week which was written in the employee manual. 2. All employees worked for 5 days a week and 8 hours per day in one shift. The normal working hours for all employees were: 07:30-11:30, 13:00-17:00. If needed, overtime: 18:00-20:00. 3. The face recognition attendance system was used to record time in / out of each employee and the data would be exported at the end of each month for calculation of wage. Policy on time-keeping was clearly stated in the employee manual. The working hours were clearly defined in the employee manuals and labour contract. 4. All workers in employee interview stated that they worked overtime on voluntary basis. 5. During this audit, the factory provided the attendance records from 01 January 2023 to the audit day for review, at least one day off after 6 consecutive working days was guaranteed. 6. The maximum working hours in any 7-day period including overtime hours were 54 hours. 7. The peak season was not obvious according to management and worker interview.
Evidence examined:
Employee manual Attendance records Daily production records Worker interview Management interview
Any other comments:
Nil

Working hours' analysis	
Systems & Processes	
What timekeeping systems are used?	The face recognition attendance system
Is sample size same as in wages section?	☑ Yes ☐ No Please give details:

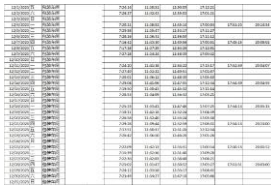
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	☑ Yes ☐ No
Are there any other types of contracts/employment agreements used?	☐ Yes ☑ No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	☐ Yes ☑ No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	☑ 1 in 7 days ☐ 2 in 14 days ☐ No (please explain)
Is this allowed by local law?	☑ Yes ☐ No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	☐ Yes ☑ No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	☐ Yes ☑ No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	2 hours/day, 14 hours/week, 58 hours/month in December 2023 (Current paid month); 2 hours/day, 12 hours/week, 58 hours/month in June 2023 (Random month); 2 hours/day, 12 hours/week, 56 hours/month in March 2023 (Random month).
Combined hours (standard or contracted + overtime hours = total) over 60 found?	☐ Yes ☑ No Please give details: The maximum weekly working hours were 54 hours.
Approximate percentage of total workers on highest overtime hours:	100.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	☑ Yes ☐ No ☐ Conflicting Information Please give details: According to workers interview, all workers indicated that they were voluntary to work overtime.
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	☑ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium Please give details: Overtime hours on normal working days, rest days and holidays were compensated by 150%, 200% and 300% respectively of normal wage standard.
Is overtime paid at a premium?	☑ Yes ☐ No 100% workers were paid for overtime wages as local law together with normal wages on a month basis.
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.	☑ No ☐ Consolidated pay ☐ Collective Bargaining agreements ☐ Other
Please give details	NA
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	☑ Overtime is voluntary ☐ Onsite Collective bargaining allows 60+ hours/week is voluntary ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A. The maximum weekly working hours were 54 hours.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☑ Yes ☐ No According to worker and management interview, overtime hours were being used for extended periods to make up for labour shortages or increased order volumes.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	☑ Yes ☐ No

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600331309
Clause	6 - Working Hours are not Excessive
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive
Subcategory	Overtime
New or carried over?	☑ New ☐ Carried Over
Root cause	☑ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Labor Law of the People's Republic of China (2018 Amendment), Article 41. The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours. 中华人民共和国劳动法（2018修正）第四十一条。用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards.
Explanation to the non compliance	According to the attendance records of employees from 01 January 2023 to the audit day provided by the factory, it was noted all sampled workers' monthly overtime hours exceeded 36 hours, For example,the 10 sampled workers worked more than 36 hours of overtime in March 2023, with a maximum monthly overtime of 58 hours (random month), the 10 sampled workers worked more than 36 hours of overtime in June 2023, the maximum was 58 hours (random month), and the 10 sampled workers worked more than 36 hours of overtime in December 2023, and the maximum was 56 hours (current paid month). 根据工厂提供的2023年1月1日



Attendance records.jpg

	到审核当天的考勤，所有抽样10名员工的月加班时间超过36小时，比如抽样的10名员工在2023年3月份加班时间超过36小时，最大月加班为58小时（随机月），抽样10名员工在2023年6月的月加班超过36小时，最大为58小时（随机月），抽样10名员工在2023年12月的月加班超过36小时，最大为56小时（当前支付月）。
Follow up method	☑ Follow up audit ☐ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should reduce the workers' overtime hours to ensure the monthly overtime hours within 36 hours. 工厂应确减少员工的加班时间确保月加班在36小时内。

7 - No Discrimination is Practiced [Summary of Findings]
7: Compliance Requirements 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1. The factory had established policy and procedure on prohibiting discrimination, which stipulated that no any 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 and etc. 2. No evidence of discrimination in employment, promotion, compensation, welfare, dismissal, retirement or sexual orientation was found. 3. Labour contracts were provided for review and they showed that male and female employees were on the same pay grade for same work. 4. Gender divisions did not exist in the factory, both female and male workers were distributed in all types of work. 5. Per worker interviews, it was found that there was no unequal, abuse, unusual disciplinary practices, and there was no preference on the religion, origin, political affiliation or age. 6. There was an internal grievance process, and all interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
Evidence examined:
Non-discrimination policy Labour contracts Payrolls Training records Management interview Worker interview
Any other comments:
Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 9.0%		Female: 91.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	5		
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?	☐ Hiring	☐ Compensation	☐ Access to training
	☐ Promotion	☐ Termination or retirement	☑ No evidence of discrimination found
Please give details	No evidence of discrimination in employment, promotion, compensation, welfare, dismissal, retirement or sexual orientation was found.		
Professional Development			

What type of training and development are available for workers?	Technical training, working post improvement training, etc.
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	☑ Yes ☐ No

8 - Regular Employment Is Provided [Summary of Findings]
8: Compliance Requirements 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour–only contracting, sub–contracting, or home–working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed–term contracts of employment. Additional Elements: Responsible Recruitment 8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements. 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation. 8.5 Employment agencies must only supply workers registered with them. 8.6 Workers pay no recruitment fee at any stage of the recruitment process. 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. Work performed was on the basis of recognized employment relationship established through national law and practice. 2. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified during this audit. 3. The factory had full understanding of the entire recruitment process and assessed all labour recruiters against legal and ethical requirements. 4. All working employees were recruited by the factory directly. 5. The factory signed labour contract with all employees and each employee had received one copy of signed labour contract.
Evidence examined:
Recruitment policy Labour contracts Management interview Worker interview
Any other comments:
Nil

Responsible Recruitment		
All Workers		
Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	☑ Terms & Conditions presented ☑ Same as actual conditions	☑ Understood by workers

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	☐ Yes ☑ No
Migrant Workers	
Type of work undertaken by migrant workers:	Packing
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	☐ Yes ☑ No Please give details: N/A No such deduction was made in the factory.
Is there any observation on this finding?	Nil
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	☐ Yes ☑ No
Non-employee workers	
Recruitment Fees	
Are there any fees?	☐ Yes ☑ No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. No worker was hired from agency.
Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☑ No
Were sufficient documents for agency workers available for review?	☐ Yes ☑ No
Is there a legal contract agreement with all agencies?	☐ Yes ☑ No Please give details: N/A. No worker was hired from agency.
Does the site have a system for checking labour standards of agencies?	☐ Yes ☑ No Please give details: N/A. No worker was hired from agency.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	☐ Yes ☑ No Please give details: NA

Do all contractor workers understand their terms of employment?	☐ Yes ☑ No Please give details: NA

8A - Sub–Contracting and Homeworking [Summary of Findings]
8A: Compliance Requirements 8.A.1 There should be no sub–contracting unless previously agreed with the main client. 8.A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing.

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1. No process was done by sub-contractors during the audit. Social responsibility policy defined that there was no sub–contracting unless previously agreed with the main clients. 2. The factory produced all the products by themselves. 3. No homeworking was found in this factory, and the factory established policy on not hiring homeworking.
Evidence examined:
Daily production records Production plan Social responsibility policy Management interview Worker interview
Any other comments:
Nil

Summary of sub–contracting – if applicable	
Is there any sub-contracting at this site?	☐ Yes ☑ No
Summary of homeworking – if applicable	
Is homeworking used at this site?	☐ Yes ☑ No

9 - No Harsh or Inhumane Treatment is Allowed [Summary of Findings]
9: Compliance Requirements 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. 9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. 2. The workers interviewed said they never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory. 3. No negative evidence of mental/ physical abuse, sexual or other harassment and verbal abuse were identified during the audit. 4. The policy of a confidential grievance mechanism was established in the factory. A suggestion box was installed, where workers could report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint would be handled by management without any reprisal for the worker in question. 5. The anti-harsh or inhumane treatment policy and disciplinary procedure were communicated to the employees through regular trainings.
Evidence examined:
Anti-harsh or inhumane treatment policy Training records Grievance mechanism policy. Management interview Worker interview
Any other comments:
Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	☑ Yes ☐ No Please give details: Based on site observation and workers interview, the employee manual included the terms for worker's reporting any violations of Labour standards and H&S or any other grievances to a 3rd party.
If yes, are workers aware of these channels and have access? Please give details.	Per management interview and worker interview, the workers confirmed they knew how to use the emergency call to report violations. Hotline such as 119,110 was published in the workshop.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism,comment box etc. Please give details.	Suggestion box, confidential email, hotline.
Which of the following groups is there a grievance mechanism in place for?	☑ Worker ☐ Communities ☐ Suppliers ☐ Other

Please provide grievance mechanism details	Confirmed by workers interview and procedure provided by the factory. Workers could access to worker representatives directly or called the telephone of the general manager directly.
Are there any open disputes?	☐ Yes ☑ No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	☑ Yes ☐ No Please give details:
Is there a published and transparent disciplinary procedure?	☑ Yes ☐ No Please give details:
If yes, are workers aware of these the disciplinary procedure?	☑ Yes ☐ No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☑ No Please give details:

10A - Entitlement to Work and Immigration [Summary of Findings]
10A: Compliance Requirements 10.A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1. Confirmed by interview with the Admin manager, it was confirmed that only workers with a legal right to work could be employed or used by the factory. 2. All workers must be verified by the factory for their legal right to work according to reviewing original documentation. 3. The factory also established the identity recognition policy of the employee to make sure the employed one with a legal right to work. 4. Through employee roster and onsite observation, it was noted that all employees were Chinese, no immigrant workers were found in the factory.
Evidence examined:
Recruitment policy Employee roster Personal file Management interview
Any other comments:
Nil

10B4 - Environment 4–Pillar [Summary of Findings]
10B4: Compliance Requirements 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details). 10.B4.7 Businesses shall make continuous improvements in their environmental performance. 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10.B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance. 10B4: Guidance for Observations 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations. Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory had established written procedure for environment management and appointed Ms. Huan Zhang/ Admin manager as responsible person. 2. Environment policy and risk assessment had been conducted for environment. 3. The factory had required its suppliers to commit to be compliant with local law regarding environment issues. 4. No hazardous waste was produced by the facility. 5. No administrative penalty related to environmental issues was identified during this audit. The factory learned their end client's environmental standards/code requirements and established policy to accord their environmental requirements. 6. The factory collected relevant laws on environment to comply with the requirements of local and international laws. The valid EIA Form, EIA approval and the final acceptance report for environment protecting were provided for review. The factory also registered its pollution emission on the website of national discharge permit management information platform. 7. The factory had made statistic and analysis for the use and discharge of natural resources e.g. water use and electricity use. 8. Based on onsite observation, the wastes including domestic waste were classified and handled properly.
Evidence examined:

Environment protection policy and procedures Laws of environmental protection Training records EIA Form EIA Approval Completion and acceptance report of environmental protection facilities Pollutant discharge registration form Management interview Worker interview
Any other comments:
Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Ms Huan Zhang/Admin Manager
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The site conducted a risk assessment on the environmental impact of the site. All related records had been provided for review.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	☐ Yes ☑ No Please give details: The facility did not have a recognised environmental system certification such as ISO 14000.
Does the site have an Environmental policy?	☑ Yes ☐ No
If yes, is it publicly available?	☑ Yes ☐ No
If yes, does it address the key impacts from their operations and their commitment to improvement?	☑ Yes ☐ No Please give details: The policy addressed the domestic waste from their operations. And the site had set the rated energy conservation and emission reduction policy.
Does the site have a Biodiversity policy?	☐ Yes ☑ No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	☐ Yes ☑ No Please give details: The factory had Internal environment related sustainability system and related document provided for review but did not obtain the above-mentioned external certification.
Have all legally required permits been shown?	☑ Yes ☐ No Please give details: Based on document review and confirmed with factory management, the factory provided EIA Form, EIA approval, Completion and acceptance report of environmental protection facilities and Pollutant discharge registration form for review during audit.

Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☐ Yes ☐ No ☑ Not Applicable Please give details: No hazardous chemicals was used in the manufacturing process.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☑ Yes ☐ No Please give details: The facility had established an internal management system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	☑ Yes ☐ No Please give details: The factory had established policies to reduce energy and resource loss.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☑ Yes ☐ No Please give details: Weights of recycled wastes were recorded for continuous improvement targets.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	☑ Yes ☐ No Please give details: The factory had conducted statistics and analysis for the use and discharge of natural resources e.g. water usage and electricity usage.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	☐ Yes ☑ No Please give details: N/A No sub-Contracting agencies or business partners was operating on the premises.

Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	150360	11158
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Municipal water	Municipal water
Water Volume Used	1379	113
Water Discharged	Discharge to urban sewage pipe network	Discharge to urban sewage pipe network

Water Volume Discharged	1240	100
Water Volume Recycled	130	10
Total waste produced	20,000 kgs	597 kgs
Total hazardous waste produced	0	0
Waste to recycling	0.34 tons	0.025 tons
Waste to landfill	0	0
Waste to other	0.1 tons	0.013 tons
Total Product Produced	2000 tons	170 tons

10C - Business Ethics – 4-Pillar Audit [Summary of Findings]
10C: Compliance Requirements 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice. 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices. 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements. 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter. 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice, 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area. 10C: Guidance for Observations 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1.The factory had established written procedure for business ethic management and appointed Ms. Huan Zhang / Admin Manager as responsible person for implementing standards. 2.The management policy of integrity and business ethic was published by General Manager, which was communicated to workers through posters and training. In addition, the staff whose job roles carrying a higher level of risk in the area of ethical Business Practice were well trained. 3.The factory had established written procedure for against bribery and corruption and it was clearly communicated to suppliers and clients by email or telephone. 4.The factory had established reporting measures regarding unethical business practices such as suggestion box and anonymity complaint hotline. 5.The facility conducted its business ethically without bribery, corruption, or any type of fraudulent Business Practice. 6.The site had received and read the Business Ethics policy of the audit company, and signed on it. 7.No fines/prosecutions related to Business Ethics for the past year was identified.
Evidence examined:
Business Ethics policy Corruption training records, Worker handbook Management and employee interview
Any other comments:
Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	☑ Internal Policy ☑ Policy for third parties including suppliers Please give details: There was a written policy on the need to avoid bribes and fraudulent practices.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☑ Yes ☐ No Please give details: Ethical training was provided to all employees annually.
Is the policy updated on a regular (as needed) basis?	☑ Yes ☐ No Please give details: The policy was updated annually.
Does the site require third parties including suppliers to complete their own business ethics training	☑ Yes ☐ No Please give details: As per the facility management, they also require third parties including all the suppliers to complete their own business ethics training.

Attachments

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